

AMENDING

COMPANY REGISTRATION NUMBER 06865668

CP DISTRIBUTION 1 (GP) LIMITED
FINANCIAL STATEMENTS
5 APRIL 2015

THURSDAY



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COMPANIES HOUSE

THOMPSON TARAZ LLP

Chartered Accountants

47 Park Lane

Mayfair

London

W1K 1PR

CP DISTRIBUTION 1 (GP) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2015

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CP DISTRIBUTION 1 (GP) LIMITED

DIRECTORS' REPORT

YEAR ENDED 5 APRIL 2015

The directors present their report and the unaudited financial statements of the company for the year ended 5 April 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the general partner in Commercial Property Distribution Fund 1 LP

DIRECTORS

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

M J Chicken
K D Gray
M M Heffernan
A Taraz

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 1/12/2015

CP DISTRIBUTION 1 (GP) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2015

	Note	2015 £	2014 £
TURNOVER		—	—
Other operating income	2	—	(1,117)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	1,117
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		—	1,117
Balance brought forward		3,033	1,916
Balance carried forward		<u>3,033</u>	<u>3,033</u>

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

CP DISTRIBUTION 1 (GP) LIMITED

BALANCE SHEET

5 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	5	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Debtors	6	3,241	3,241
Cash in hand		<u>2</u>	<u>2</u>
		3,243	3,243
CREDITORS: Amounts falling due within one year	7	<u>209</u>	<u>209</u>
NET CURRENT ASSETS		<u>3,034</u>	<u>3,034</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,035</u>	<u>3,035</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account		<u>3,033</u>	<u>3,033</u>
SHAREHOLDERS' FUNDS		<u>3,035</u>	<u>3,035</u>

For the year ended 5 April 2015 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 January 2015)

These accounts were approved by the directors and authorised for issue on 1/12/2015, and are signed on their behalf by


K GRAY
Director

Company Registration Number. 06865668

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

CP DISTRIBUTION 1 (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2015

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 January 2015).

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

	2015	2014
	£	£
Other operating income	—	1,117
	<u>—</u>	<u>1,117</u>

Other operating income represents the company's share of Commercial Property Distribution Fund 1 LP income calculated in accordance with the limited partnership deed.

3. TAXATION

The effective rate of corporation tax was 0%, therefore there was no tax charge.

4. OPERATING PROFIT

Operating profit is stated after crediting:

	2015	2014
	£	£
Directors' remuneration	—	—
	<u>—</u>	<u>—</u>

5. INVESTMENTS

Investments

COST

At 6 April 2014 and 5 April 2015

£

1

NET BOOK VALUE

At 5 April 2015 and 5 April 2014

1

The investment represents a capital contribution to the Commercial Property Distribution Fund 1 LP.

CP DISTRIBUTION 1 (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2015

6. DEBTORS

	2015	2014
	£	£
Other debtors	<u>3,241</u>	<u>3,241</u>

7. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Other creditors	<u>209</u>	<u>209</u>

8. RELATED PARTY TRANSACTIONS

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

The company is controlled by M J Chicken and A Taraz

9. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

REGISTRATION NUMBER LP13620

COMMERCIAL PROPERTY DISTRIBUTION FUND 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2015

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No...06865668.....

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

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COMMERCIAL PROPERTY DISTRIBUTION FUND 1
OPERATOR AND PROFESSIONAL ADVISERS

Operator of Partnership

Thompson Taraz Managers Limited
35 Grosvenor Street
Mayfair
London
W1K 4QX

General Partner

CP Distribution 1 (GP) limited
35 Grosvenor Street
Mayfair
London
W1K 4QX

Solicitors to the Partnership

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Solicitors - Property

Howard Kennedy LLP
Solicitors
No 1 London Bridge
London
SE1 9BG

Valuer

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Independent Auditors

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

Bankers

HSBC
133 Regent Street
London
W1B 4HX

Santander
2 Triton Square
Regent's Place
London
NW1 3AN

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2015

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2015 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 office buildings that have been built close to the University's campus, in one of the prime office locations in Newcastle's city centre. The property, which completed in mid April 2011, will be the new central building for the Business School of Newcastle University. In accordance with the Partnership Agreement, the property is professionally valued by an external valuer at each period end.

The intention, as referred to in the information memorandum, was to hold the property for a minimum of 5 years and then to take annual advice from the Partnership's valuer on the potential market for the property.

The General Partner considers the results for the period to reflect the current difficult economic climate which is likely to continue for some time.

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 11 September 2009, which entered into a Limited Partnership Agreement on 10 September 2009 ("the Partnership Agreement") and is registered under the Limited Partnership Act 1907. The initial term of the Partnership is for 20 years but may be extended by up to two Special Resolutions, by up to 2 years each and 4 years in aggregate.

The Registered Office of the General Partner and the principal place of business of the Partnership is 35 Grosvenor Street, London, W1K 4QX.

The Operator of the Partnership is Thompson Taraz Managers Limited.

RESULTS AND DISTRIBUTIONS

The Partnership's profit for the year was £805,138.

The annual distribution was made in June 2014 of £722,551 (June 2013: £722,521).

THE PARTNERS

The General Partner is CP Distribution 1 (GP) Limited. The Limited Partner's contributions are as set out in the Partners Interest note. Each limited partner's contribution in the Partnership is made up of a Capital Contribution and a Loan Contribution.

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2015

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

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

GENERAL PARTNER'S REPORT

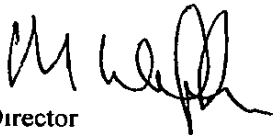
YEAR ENDED 5 APRIL 2015

AUDITORS

Menzies LLP were re-appointed 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 CP Distribution 1 (GP) Limited
28 May 2015

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF COMMERCIAL PROPERTY DISTRIBUTION FUND 1

YEAR ENDED 5 APRIL 2015

We have audited the financial statements of Commercial Property Distribution Fund 1 for the year ended 5 April 2015 on pages 7 - 14. 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

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 2015 and of its profit 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

COMMERCIAL PROPERTY DISTRIBUTION FUND 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF
COMMERCIAL PROPERTY DISTRIBUTION FUND 1

YEAR ENDED 5 APRIL 2015

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

28 May 2015

COMMERCIAL PROPERTY DISTRIBUTION FUND 1
PROFIT AND LOSS STATEMENT AND STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES

YEAR ENDED 5 APRIL 2015

	Note	2015 £	2014 £
PROFIT AND LOSS STATEMENT			
INCOME	2	2,300,846	2,250,212
OTHER OPERATING INCOME	3	54,571	53,815
		<u>2,355,417</u>	<u>2,304,027</u>
OPERATING COSTS			
OTHER OPERATING CHARGES		<u>(75,505)</u>	<u>(78,376)</u>
OPERATING PROFIT	4	2,279,912	2,225,651
Interest receivable	6	10,594	8,802
Interest payable and similar charges	7	(1,485,368)	(1,489,380)
		<u>805,138</u>	<u>745,073</u>
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		805,138	745,073
		<u>805,138</u>	<u>745,073</u>
PROFIT FOR THE FINANCIAL YEAR		805,138	745,073
Balance brought forward		743,650	721,128
Distributions to partners		<u>(722,551)</u>	<u>(722,551)</u>
Balance carried forward		<u>826,237</u>	<u>743,650</u>

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2015 £	2014 £
Net profit for the year	805,138	745,073
Surplus arising on valuation of investment property	4,915,000	154,600
Total gains and losses since the last annual report	<u>5,720,138</u>	<u>899,673</u>

The notes on pages 9 - 14 form part of these financial statements

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

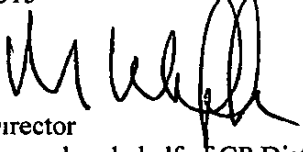
BALANCE SHEET

5 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible Fixed Assets	8	44,400,000	39,485,000
CURRENT ASSETS			
Debtors	9	201,948	163,602
Cash at bank		1,448,736	1,431,282
		1,650,684	1,594,884
CREDITORS: Amounts falling due within one year	10	(1,094,461)	(1,069,261)
NET CURRENT ASSETS		556,223	525,623
TOTAL ASSETS LESS CURRENT LIABILITIES		44,956,223	40,010,623
CREDITORS: Amounts falling due after more than one year	11	(20,608,714)	(20,660,701)
NET ASSETS		24,347,509	19,349,922
FUNDED BY:			
Partners' capital contribution account	14	14,451	14,451
Partners' loan contribution account	14	12,387,434	12,387,434
Partners' capital appreciation account	14	11,119,387	6,204,387
Partners' income account	14	826,237	743,650
		24,347,509	19,349,922

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 28 May 2015


 Director
 For and on behalf of CP Distribution 1 (GP) Limited
 28 May 2015

Registration Number LP13620

The notes on pages 9 - 14 form part of these financial statements.

COMMERCIAL PROPERTY DISTRIBUTION FUND 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2015

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

Turnover

Rental income is accounted for on an accruals basis and is stated net of VAT.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 ("SSAP 19") investment properties are revalued annually to open market value and no depreciation is provided. The partners consider that this accounting policy results in the financial statements giving a true and fair view

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account

Acquisitions and disposals

Properties are recognised as acquired or disposed of on the date that the risks and rewards of ownership are transferred from the vendor or to the purchaser respectively

Issue costs

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

Deferred borrowing costs

Finance costs are charged to the profit and loss account over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated debt instrument.

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

1. ACCOUNTING POLICIES *(continued)*

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.

The taxable income is reduced by the deduction of the interest cost incurred on the loan used to purchase the property and by utilising capital allowances.

Distributions

The Partnership has a full distribution policy of all net positive cash flows to all partners, subject to a small cash provision being maintained to cover any administration or management costs, also subject to payment of interest and repayment of bank indebtedness.

2. INCOME

Turnover represents amounts receivable, exclusive of VAT and similar taxes, arising from the rental of properties within the United Kingdom.

3. OTHER OPERATING INCOME

	2015	2014
	£	£
Insurance Income	54,235	53,815
Service Charge Income	336	—
	<u>54,571</u>	<u>53,815</u>

4. OPERATING SURPLUS

Operating surplus is stated after charging

	2015	2014
	£	£
Auditors' remuneration	<u>3,145</u>	<u>3,050</u>

5. PARTNER REMUNERATION AND EMPLOYEE INFORMATION

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

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

6. INTEREST RECEIVABLE

	2015 £	2014 £
Interest receivable	<u>10,594</u>	<u>8,802</u>
Bank interest	302	345
Interest receivable from Commercial Property Distribution Fund 1 Unit Trust	<u>10,292</u>	<u>8,457</u>
	<u>10,594</u>	<u>8,802</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on bank borrowings	1,419,843	1,423,706
Finance charges	<u>65,525</u>	<u>65,674</u>
	<u>1,485,368</u>	<u>1,489,380</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 6 April 2014	39,485,000
Revaluations	<u>4,915,000</u>
At 5 April 2015	<u>44,400,000</u>
NET BOOK VALUE	
At 5 April 2015	<u>44,400,000</u>

The historical cost of the property at 5 April 2015 is £33,280,613 (5 April 2014 £33,280,613)

The investment property as at 5 April 2015 was valued by Knight Frank LLP, Property Advisers on a Market Value basis in line with the Royal Institution of Chartered Surveyors rules

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

9. DEBTORS

	2015	2014
	£	£
Trade debtors	403	—
Trust debtor	186,067	148,124
Other debtors	15,478	15,478
	<u>201,948</u>	<u>163,602</u>

10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	19,183	19,184
Bank loans and overdrafts (secured see note 11)	67,776	11,924
Taxation and social security	110,845	107,784
Income received in advance	578,408	606,163
Accruals	318,249	324,206
	<u>1,094,461</u>	<u>1,069,261</u>

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Bank Loans	<u>20,608,714</u>	<u>20,660,701</u>
Bank loan		
Due between 1-2 years	20,608,714	133,301
Due between 2-5 years	–	20,592,925
Less: deferred borrowing costs to be amortised	–	(65,525)
	<u>20,608,714</u>	<u>20,660,701</u>

The bank loan is secured against the investment property of the Partnership. Interest is fixed for 5 years at a rate of approximately 6.83% by means of a hedging contract. The loan agreement requires that the rent, net of costs, is used to pay interest and equity coupon, which is paid to investors annually and the excess is used towards capital repayment.

The Partnership has entered into an interest rate swap that expires on 26 September 2016. The swap effectively fixes the future interest payments on the bank loan. The Partnership acquired its properties with a view to holding them for 5 years and thereafter to take advice from the Valuer on whether to consider a sale.

If the property were sold and the bank loan repaid before the expiry of the interest rate swap there would be a cost or a surplus arising from the early termination of the swap instrument depending on the interest rates then prevailing. The mark-to-market value of the swap at 5 April 2015 was a liability of £1,353,508 (5 April 2014: £1,904,114). This liability may vary significantly from day to day.

12. RELATED PARTY TRANSACTIONS

The Royal Bank of Canada Trust Corporation Limited acts as Trustee for CP Distribution Fund 1 Unit Trust and is a Limited Partner in the Partnership.

Interest is charged at a rate of 6.83% (being the rate of interest charged on the bank loan) on advances to the Trust.

There is no controlling entity. The General Partner manages the Limited Partnership in accordance with the Limited Partnership Agreement.

13. DISTRIBUTION TO PARTNERS

As noted in the General Partner's report, the annual distribution was made in June 2014 of £722,551 (June 2014: £722,551).

COMMERCIAL PROPERTY DISTRIBUTION FUND 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2015

14. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

	Loan Contribution £	Capital Contribution £	Net Income £	Capital Appreciation £
Balance brought forward	12,387,434	14,451	743,650	6,204,387
Distributions during the year	-	-	(722,551)	-
Profit for the year	-	-	805,138	-
Uplift in base market value	-	-	-	4,915,000
	<u>12,387,434</u>	<u>14,451</u>	<u>826,237</u>	<u>11,119,387</u>

15. CONTINGENT LIABILITIES

The Partnership has entered into an agreement with GMD Developments Limited, the property developer, which gives rise to a contingent liability. On disposal of the property the Partnership will be liable to make an exit payment to the developer. This payment will amount to £250,000 and 10% of any surplus sales proceeds in excess of the amount of the sales proceeds which would be sufficient to provide the investors with an internal rate of return of 10% on the equity invested to purchase the property.