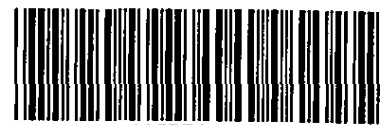


COMPANY REGISTRATION NUMBER 07200049

MACCLESFIELD CPIF (GP) LIMITED
FINANCIAL STATEMENTS
5 APRIL 2016

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MACCLESFIELD CPIF (GP) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

CONTENTS	PAGE
Directors' report	1
Profit and loss account	2
Balance sheet	3
Notes to the financial statements	4

MACCLESFIELD CPIF (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 general partner in Commercial Property Income Fund II

DIRECTORS

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

A Taraz
M J Chicken
M M Heffernan
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
4th Floor, Stanhope House
47 Park Lane
London
W1K 1PR

Signed by order of the directors



Property Secretaries Limited
Company Secretary

Approved by the directors on 6 June 2016

MACCLESFIELD CPIF (GP) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 5 APRIL 2016

	Note	2016 £	2015 £
TURNOVER		—	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	—
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		—	—
Balance brought forward		<u>1,536</u>	<u>1,536</u>
Balance carried forward		<u>1,536</u>	<u>1,536</u>

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

MACCLESFIELD CPIF (GP) LIMITED

BALANCE SHEET

5 APRIL 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	3	1	1
CURRENT ASSETS			
Debtors	4	1,773	1,773
Cash in hand		2	2
		<u>1,775</u>	<u>1,775</u>
CREDITORS: Amounts falling due within one year	5	<u>238</u>	<u>238</u>
NET CURRENT ASSETS		<u>1,537</u>	<u>1,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,538</u>	<u>1,538</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	2	2
Profit and loss account		<u>1,536</u>	<u>1,536</u>
SHAREHOLDERS' FUNDS		<u>1,538</u>	<u>1,538</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 6 June 2016, and are signed on their behalf by

K GRAY
Director

Company Registration Number 07200049

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

MACCLESFIELD CPIF (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)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. OPERATING PROFIT

Operating profit is stated after crediting

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

3. INVESTMENTS

Investments

COST

At 6 April 2015 and 5 April 2016

£

1

NET BOOK VALUE

At 5 April 2016 and 5 April 2015

1

The investment represents a capital contribution to the Commercial Property Income Fund II

4. DEBTORS

	2016 £	2015 £
Other debtors	<u>1,773</u>	<u>1,773</u>

5. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other creditors	<u>238</u>	<u>238</u>

MACCLESFIELD CPIF (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2016

6. RELATED PARTY TRANSACTIONS

Taxation costs of £Nil (5 April 2015 £96) were paid during the year by Commercial Property Income II, a partnership in which the company is a general partner

No other 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

7. SHARE CAPITAL

Allotted, called up and fully paid:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

REGISTRATION NUMBER LP13876

THESE FINANCIAL
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF THE COMPANY
AS REQUIRED BY THE
COMPANIES ACT 1985

COMMERCIAL PROPERTY INCOME FUND II
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2016

COMPANIES HOUSE

COMMERCIAL PROPERTY INCOME FUND II
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2016

CONTENTS	PAGE
Operator and professional advisers	1
General partner's report	2
Independent auditors' report	5
Profit and loss statement	7
Balance sheet	8
Notes to the financial statements	9

COMMERCIAL PROPERTY INCOME FUND II
OPERATOR AND PROFESSIONAL ADVISERS

Operator of Partnership

Thompson Taraz Managers Limited
4th Floor, Stanhope House
47 Park Lane
Mayfair
W1K 1PR

General Partner

Macclesfield CPIF (GP) Limited
4th Floor, Stanhope House
47 Park Lane
Mayfair
W1K 1PR

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

Matthews & Goodman LLP
33 Robert Adam Street
London
W1U 3HR

Independent Auditors

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

Bankers

HSBC
196 Oxford Street
London
W1D 1NT

COMMERCIAL PROPERTY INCOME FUND II

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 a building for clinical and office use at Macclesfield District General Hospital.

In accordance with the Partnership Agreement, the property will be professionally valued by external valuers at each period end.

The intention, as referred to in the information memorandum, is to hold the property as an investment for the medium term with a view to maximising the return and cashflow to the Partners. After each 3 yearly rent review advice will be taken from the Strategic Property Advisor 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 20 April 2010, which entered into a Limited Partnership Agreement on 19 April 2010 ("the Partnership Agreement") and is registered under the Limited Partnership Act 1907. The initial term of the Partnership is for 15 years.

The Registered Office of the General Partner and the principal place of business of the Partnership is 47 Park Lane, London, W1K 1PR.

The Operator of the Partnership is Thompson Taraz Managers Limited.

RESULTS AND DISTRIBUTIONS

The Partnership's profit for the year was £501,357.

It is intended that bi-annual cash distributions will be made to investors, equivalent to 6.0% annually (after recurring costs of the Partnership and Trust this reduces to 5.7%) of the investor's original investment.

THE PARTNERS

The General Partner is Macclesfield CPIF (GP) Limited. The Limited Partner's 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.

COMMERCIAL PROPERTY INCOME FUND II

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.

COMMERCIAL PROPERTY INCOME FUND II

GENERAL PARTNER'S REPORT

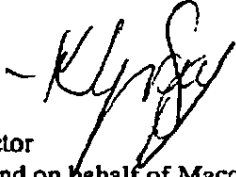
YEAR ENDED 5 APRIL 2016

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 Macclesfield CPIF (GP) Limited

31 May 2016

COMMERCIAL PROPERTY INCOME FUND II
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF
COMMERCIAL PROPERTY INCOME FUND II
YEAR ENDED 5 APRIL 2016

We have audited the financial statements of Commercial Property Income Fund II for the year ended 5 April 2016 on pages 7 - 13. 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 2016 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 INCOME FUND II
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF
COMMERCIAL PROPERTY INCOME FUND II

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

COMMERCIAL PROPERTY INCOME FUND II
PROFIT AND LOSS STATEMENT AND STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES
YEAR ENDED 5 APRIL 2016

	Note	2016 £	2015 £
PROFIT AND LOSS STATEMENT			
INCOME	2	511,227	511,227
OTHER OPERATING INCOME	3	196,733	223,728
		<u>707,960</u>	<u>734,955</u>
OPERATING COSTS			
OTHER OPERATING CHARGES		(211,246)	(235,875)
OPERATING PROFIT	4	496,714	499,080
Interest receivable	6	4,743	3,681
Interest payable and similar charges	7	(100)	(120)
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		501,357	502,641
		<u> </u>	<u> </u>
PROFIT FOR THE FINANCIAL YEAR		501,357	502,641
Balance brought forward		252,981	235,979
Distributions to partners		(485,689)	(485,639)
		<u> </u>	<u> </u>
Balance carried forward		<u>268,649</u>	<u>252,981</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

	2016 £	2015 £
Net profit for the year	501,357	502,641
Deficit/Surplus arising on valuation of investment property	(70,000)	1,450,000
	<u> </u>	<u> </u>
Total gains and losses since the last annual report	<u>431,357</u>	<u>1,952,641</u>

The notes on pages 9 - 13 form part of these financial statements.

COMMERCIAL PROPERTY INCOME FUND II

BALANCE SHEET

5 APRIL 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible Fixed Assets	8	<u>9,130,000</u>	<u>9,200,000</u>
CURRENT ASSETS			
Debtors	9	278,341	226,514
Cash at bank		<u>141,287</u>	<u>134,724</u>
		419,628	361,238
CREDITORS: Amounts falling due within one year	10	<u>(198,666)</u>	<u>(155,944)</u>
NET CURRENT ASSETS		220,962	205,294
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,350,962</u>	<u>9,405,294</u>
NET ASSETS		<u>9,350,962</u>	<u>9,405,294</u>
FUNDED BY:			
Partners' capital contribution account	13	8,521	8,521
Partners' loan contribution account	13	7,420,313	7,420,313
Partners' capital appreciation account	13	1,653,479	1,723,479
Partners' income account	13	<u>268,649</u>	<u>252,981</u>
		<u>9,350,962</u>	<u>9,405,294</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 Macclesfield CPIF (GP) Limited
31 May 2016

Registration Number LP13876

The notes on pages 9 - 13 form part of these financial statements.

COMMERCIAL PROPERTY INCOME FUND II
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.

Turnover

Rental income arising from the investment property and bank interest receivable are accounted for on an accruals basis and stated net of VAT.

Investment properties

Investment properties are subject to revaluation to open market value, disregarding disposal costs, at the end of each accounting period.

Any unrealised surplus or deficit from original cost is transferred to the capital appreciation account. No depreciation is provided in respect of investment property.

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 capital 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.

Finance 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 INCOME FUND II

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

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, distributions will be made bi-annually by the end of April and October in each year.

2. INCOME

The income and surplus before tax are attributable to the one principal activity of the Partnership.

An analysis of income is given below:

	2016 £	2015 £
United Kingdom	<u>511,227</u>	<u>511,227</u>

3. OTHER OPERATING INCOME

	2016 £	2015 £
Insurance Income	7,041	6,350
Service Charge Income	<u>189,692</u>	<u>217,378</u>
	<u>196,733</u>	<u>223,728</u>

4. OPERATING SURPLUS

Operating surplus is stated after charging:

	2016 £	2015 £
Auditors' remuneration	<u>3,250</u>	<u>3,145</u>

COMMERCIAL PROPERTY INCOME FUND II
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2016

5. PARTNER REMUNERATION AND EMPLOYEE INFORMATION

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

6. INTEREST RECEIVABLE

	2016	2015
	£	£
Interest receivable	<u>4,743</u>	<u>3,681</u>
Bank interest	—	—
Interest receivable from Commercial Property Income Fund II Unit Trust	4,281	3,436
Other interest	<u>462</u>	<u>245</u>
	<u>4,743</u>	<u>3,681</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank charges	<u>100</u>	<u>120</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 6 April 2015	9,200,000
Revaluations	<u>(70,000)</u>
At 5 April 2016	<u>9,130,000</u>
NET BOOK VALUE	
At 5 April 2016	<u>9,130,000</u>

The historical cost of the freehold property at 5 April 2016 is £7,476,521 (5 April 2015: £7,476,521)

The investment property was valued by Matthews & Goodman, Property Advisers, as at 5 April 2016, on an open market value basis in line with the Royal Institution of Chartered Surveyors rules.

COMMERCIAL PROPERTY INCOME FUND II

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

9. DEBTORS

	2016	2015
	£	£
Trade debtors	153,368	155,594
Trust debtor	87,058	70,741
Other debtors	37,915	179
	<u>278,341</u>	<u>226,514</u>

10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	3,901	6,127
Taxation and social security	24,686	24,794
Income received in advance	124,653	120,378
Other creditors	915	—
Accruals	44,511	4,645
	<u>198,666</u>	<u>155,944</u>

11. RELATED PARTY TRANSACTIONS

From 23 October 2015 Vistra Trust Corporation (UK) Limited (previously The Royal Bank of Canada Trust Corporation Limited) acts as Trustee for Commercial Property Income Fund II Unit Trust and is a Limited Partner in the Partnership.

Interest, as disclosed in note 6, is charged at a rate of 5.7% (being the rate of investor's annual distribution) on advances to the Trust.

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

12. DISTRIBUTION TO PARTNERS

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, distributions will be made bi-annually by the end of April and October in each year.

COMMERCIAL PROPERTY INCOME FUND II

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

13. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

	Loan Contribution £	Capital Contribution £	Net Income £	Capital Appreciation £
Balance brought forward	7,420,313	8,521	252,981	1,723,479
Distributions during the year	-	-	(485,689)	-
Profit for the year	-	-	501,357	-
Reduction in base market value	-	-	-	(70,000)
	<u>7,420,313</u>	<u>8,521</u>	<u>268,649</u>	<u>1,653,479</u>