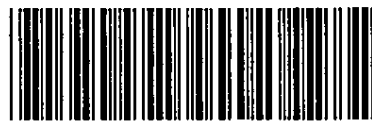


# Financial Statements Barwood General Partner 2012 Limited

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For the year ended 31 March 2016

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Registered number: 08235733

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**Barwood General Partner 2012 Limited**  
**Registered number 08235733**

## Company Information

<b>Directors</b>	R W Bowen S J Chambers J A Greenslade A J Rudge E G Henson
<b>Company secretary</b>	EMW Secretaries Limited
<b>Registered number</b>	08235733
<b>Registered office</b>	Grange Park Court Roman Way Northampton Northamptonshire NN4 5EA
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW
<b>Solicitors</b>	EMW Law Seebeck House 1 Seebeck Place Davy Avenue Knowlhill Milton Keynes MK5 8FR

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# Directors' Report

For the year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016

## **Directors' responsibilities statement**

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Principal activities**

The company is principally engaged in corporate advisory services.

## **Directors**

The directors who served during the year were

R W Bowen  
S J Chambers  
J A Greenslade  
A J Rudge  
E G Henson

## **Disclosure of information to auditor**

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

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

# Directors' Report

For the year ended 31 March 2016

## Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime

This report was approved by the board and signed on its behalf



J A Greenslade  
Director

Date 28/6/16



## Independent Auditor's Report to the Members of Barwood General Partner 2012 Limited

We have audited the financial statements of Barwood General Partner 2012 Limited for the year ended 31 March 2016, which comprise the Profit and loss account, the Balance sheet and the related notes. 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 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 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 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 auditor**

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 Auditing Practices Board'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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 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 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.



## Independent Auditor's Report to the Members of Barwood General Partner 2012 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report

*Giles Mullins*

Giles Mullins (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Milton Keynes

Date *19 June 2016*

## **Profit and Loss Account**

**For the year ended 31 March 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Turnover</b>	<b>1,2</b>	<b>10,000</b>	<b>10,000</b>
<b>Profit on ordinary activities before taxation</b>		<b>10,000</b>	<b>10,000</b>
Tax on profit on ordinary activities	5	-	3
<b>Profit for the financial year</b>	<b>10</b>	<b>10,000</b>	<b>10,003</b>

The notes on pages 7 to 15 form part of these financial statements



## Balance Sheet

As at 31 March 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Investments	6		1		1
<b>Current assets</b>					
Debtors	7	2,001		22,670	
<b>Creditors:</b> amounts falling due within one year	8	(2,001)		(2,001)	
<b>Net current assets</b>			-		20,669
<b>Total assets less current liabilities</b>			1		20,670
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Profit and loss account	10		-		20,669
<b>Shareholders' funds</b>	11		1		20,670

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

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



J A Greenslade  
Director

Date 28/6/16

The notes on pages 7 to 15 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 March 2016

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

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)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of services provided during the year, exclusive of Value Added Tax and trade discounts.

Turnover is stated at the fair value of the consideration receivable and is recognised when the company has performed its obligation and in exchange obtained the right to consideration.

### 1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

### 1.4 Current Tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

### 1.5 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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Notes to the Financial Statements

For the year ended 31 March 2016

## 1. Accounting Policies (continued)

- Basis of consolidation of interest in Barwood Commercial Property Limited Partnership, BCP (Green Court) LLP, BCP (Milton Keynes) LLP, BCP (Havant) LLP, BCP (Highams Park) LLP, BCP (Huyton) LLP, BCP (Northampton) LLP, BCP (Banbury) LLP, Barwood Commercial Land LLP, Barwood Commercial Land (Kettering) LLP, Barwood Commercial Land (Lutterworth) LLP.

As general partner of the entities listed above and in accordance with the limited partnership agreement the company is considered to have control over them. It has no direct investment in the limited partnership and is entitled to a nominal share of the results but has no entitlement to the assets of the partnership. See note 15 for further details.

## 2. Turnover

The whole of the turnover is attributable to the activity stated in the Report of the Directors.

All turnover arose within the United Kingdom.

## 3. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	1,300	1,245
Fees payable to the company's auditor and its associates in respect of Taxation compliance services	400	380

## 4. Staff costs

The company has no employees and no directors received any remuneration during the year (2015 - £Nil).

## 5. Taxation

	2016 £	2015 £
Analysis of tax charge/(credit) in the year		
UK corporation tax charge on profit for the year	2,000	2,000
Adjustments in respect of prior periods	(2,000)	(2,003)
Tax on profit on ordinary activities	-	(3)

# Notes to the Financial Statements

For the year ended 31 March 2016

## 5. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%)

	2016 £	2015 £
Profit on ordinary activities before tax	10,000	10,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	2,000	2,000
Effects of:		
Adjustments to tax charge in respect of prior periods	(2,000)	(2,003)
Current tax charge/(credit) for the year (see note above)	-	(3)

## 6. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 April 2015 and 31 March 2016	1
Net book value	
At 31 March 2016	1
At 31 March 2015	1

### Subsidiary undertakings

The following was a subsidiary undertaking of the company

Name	Class of shares	Holding
Barwood General Partner 2012 (Nominee) Limited	Ordinary	100%

# Notes to the Financial Statements

For the year ended 31 March 2016

## 6. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Barwood General Partner 2012 (Nominee) Limited	<u>1</u>	<u>-</u>

## 7. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	<u>2,001</u>	<u>22,670</u>

## 8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	1	1
Corporation tax	2,000	2,000
	<u>2,001</u>	<u>2,001</u>

## 9. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 10. Reserves

	Profit and loss account £
At 1 April 2015	20,669
Profit for the financial year	10,000
Dividends	(30,669)
	<hr/>
At 31 March 2016	-
	<hr/> <hr/>

## 11. Reconciliation of movement in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	20,670	10,667
Profit for the financial year	10,000	10,003
Dividends	(30,669)	-
	<hr/>	<hr/>
Closing shareholders' funds	1	20,670
	<hr/> <hr/>	<hr/> <hr/>

## 12. Dividends

	2016 £	2015 £
Dividends paid on equity capital	30,669	-
	<hr/> <hr/>	<hr/> <hr/>

# Notes to the Financial Statements

For the year ended 31 March 2016

## 13. Related party transactions

As a wholly owned subsidiary of Barwood Capital Limited, the company is exempt from the requirements of FRSE to disclose transactions with its parent and other wholly owned members of the group

During the period, the company entered into the following transactions with Barwood Commercial Property Limited Partnership, a limited partnership with common members

	2016 £	2015 £
Management fees charged to Barwood Commercial Property Limited Partnership	<u>10,000</u>	<u>10,000</u>

## 14. Ultimate parent undertaking and controlling party

The company's immediate parent and controlling related party is Barwood Capital Limited, by virtue of its 100% shareholding

The company's ultimate parent and controlling related party is Barwood Capital Holdings Limited

## 15. Basis of consolidation of interest in Barwood Commercial Property Limited Partnership, BCP (Green Court) LLP, BCP (Milton Keynes) LLP, BCP (Havant) LLP, BCP (Highams Park) LLP, BCP (Huyton) LLP, BCP (Northampton) LLP, BCP (Banbury) LLP, Barwood Commercial Land LLP, Barwood Commercial Land (Kettering) LLP, Barwood Commercial Land (Lutterworth) LLP.

As general partner of the entities listed above the company is considered to have control over them. It has no direct investment in the limited partnership and is entitled to a nominal share of the results but has no entitlement to the assets of the partnership.

The directors consider the financial statements would not give a true and fair view if the assets and liabilities and income and expenditure of the partnership were to be fully consolidated. Therefore they have taken advantage of s404(5) of the Companies Act 2006 and proportionally consolidated its interest in the limited partnership and limited liability partnerships in order for the financial statements to give a true and fair view.

If the financial statements of the partnership were fully consolidated the group's financial statements would change by the following amounts:

# Notes to the Financial Statements

For the year ended 31 March 2016

## 2016

	BCP (Green Court) LLP £	BCP (Milton Keynes) LLP £	BCP (Havant) LLP £	BCP (Highams Park) LLP £	BCP (Huyton) LLP £
Profit/(loss) before minority interests	(2,068,659)	(117,002)	(216,771)	2,062,483	389,086
Minority interest in the profit and loss account	2,068,659	117,002	216,771	(2,062,483)	(389,086)
Total	-	-	-	-	-

	BCP (Northampton) LLP £	BCP (Banbury) LLP £	Barwood Commercial Land LP £	Barwood Commercial Land (Kettering) LLP £	Barwood Commercial Land (Lutterworth) LLP £
Profit/(loss) before minority interests	-	-	-	-	-
Minority interest in the profit and loss account	-	-	-	-	-
Total	-	-	-	-	-

## 2015

	BCP (Green Court) LLP £	BCP (Milton Keynes) LLP £	BCP (Havant) LLP £	BCP (Highams Park) LLP £	BCP (Huyton) LLP £
Profit/(loss) before minority interests	654,751	536,477	-	(275,370)	990,298
Minority interest in the profit and loss account	(654,751)	(536,477)	-	275,370	(990,298)
Total	-	-	-	-	-



## Notes to the Financial Statements

For the year ended 31 March 2016

	BCP (Northampton) LLP £	BCP (Banbury) LLP £	Barwood Commercial Land LP £	Barwood Commercial Land (Kettering) LLP £	Barwood Commercial Land (Lutterworth) LLP £
Profit/(loss) before minority interests	-	-	-	-	-
Minority interest in the profit and loss account	-	-	-	-	-
Total	-	-	-	-	-

**2016**

	BCP (Green Court) LLP £	BCP (Milton Keynes) LLP £	BCP (Havant) LLP £	BCP (Highams Park) LLP £	BCP (Huyton) LLP £
Fixed Assets	15,000,000	4,400,000	2,750,000	-	3,000,000
Net current assets / (liabilities)	(11,171,608)	(3,465,748)	(2,966,771)	-	(2,806,670)
Long term liabilities	-	-	-	-	-
Minority interests in the balance sheet	(3,828,392)	(934,252)	216,771	-	(193,330)
Total	-	-	-	-	-

	BCP (Northampton) LLP £	BCP (Banbury) LLP £	Barwood Commercial Land LP £	Barwood Commercial Land (Kettering) LLP £	Barwood Commercial Land (Lutterworth) LLP £
Fixed Assets	-	-	-	-	-
Net current assets / (liabilities)	-	-	-	-	-
Long term liabilities	-	-	-	-	-
Minority interests in the balance sheet	-	-	-	-	-
Total	-	-	-	-	-

# Notes to the Financial Statements

For the year ended 31 March 2016

## 2015

	BCP (Green Court) LLP £	BCP (Milton Keynes) LLP £	BCP (Havant) LLP £	BCP (Highams Park) LLP £	BCP (Huyton) LLP £
Fixed Assets	11,000,000	2,125,000	2,321,830	-	2,750,000
Net current assets / (liabilities)	(8,123,121)	(1,778,141)	(2,321,830)	(275,370)	(2,750,000)
Long term liabilities	-	-	-	-	-
Minority interests in the balance sheet	(2,876,879)	(346,859)	-	275,370	-
Total	-	-	-	-	-

	BCP (Northampton) LLP £	BCP (Banbury) LLP £	Barwood Commercial Land LP £	Barwood Commercial Land (Kettering) LLP £	Barwood Commercial Land (Lutterworth) LLP £
Fixed Assets	-	-	-	-	-
Net current assets / (liabilities)	-	-	-	-	-
Long term liabilities	-	-	-	-	-
Minority interests in the balance sheet	-	-	-	-	-
Total	-	-	-	-	-

The company is considered to have control over BCP (Banbury) LLP and BCP (Northampton) LLP for the first financial period and as such, no comparative results are available for these entities

# Financial statements Barwood Commercial Property Limited Partnership

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For the year ended 31 March 2016

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. 82357231



COMPANIES HOUSE

Registered No. LP015224

## Designated partners and advisors

<b>LP registration number:</b>	LP015224
<b>Registered office:</b>	Grange Park Court Roman Way Grange Park NORTHAMPTON NN4 5EA
<b>General partner:</b>	Barwood General Partner 2012 Limited
<b>Bankers:</b>	Santander UK Plc Second Floor Victory House Vision Park Chivers Way Histon Cambridge CB24 9ZR
<b>Solicitors:</b>	emw law Seckloe House 101 North 13th Street MILTON KEYNES
<b>Auditor:</b>	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 202 Silbury Boulevard MILTON KEYNES MK9 1LW

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## Report of the general partner

The partners present their report together and the audited financial statements for the LP for the period ended 31 March 2016

### **Principal activities and business review**

The principal activity of the LP during the period was to invest in commercial property in the UK

Barwood Commercial Property Limited Partnership is a five year fund investing directly in commercial property opportunities in the UK. The fund closed in November 2012 and as at 31 March 2016 it had secured nine properties. It targets properties which demonstrate the potential for significant value to be added through planning enhancement, development and active asset management. The fund is targeting an overall IRR of 15% per annum.

The General Partner is confident that BCPLP (the 2012 Fund) is on track to achieve in excess of our target return of 15% IRR per annum for investors and a recent independent valuation of the portfolio supports this forecast. As at our year end of 31 March the independent valuations undertaken on the properties owned by the 2012 Fund support a net asset value of the 2012 Fund of over £24.9m, prior to any fair value interest adjustments, which if we included investor distributions to date of £2.5m amounts to a 51% increase on the original equity invested and is equivalent to a 15% total return per annum to date.

### **Results for the year and allocation to partners**

The loss for the period attributable to partners was £5,269,183 (2015 – loss £120,777)

### **Policy with respect to partners' drawings and subscriptions and repayments of amounts subscribed or otherwise contributed by partners**

During the period partners may have received drawings. The drawings represent payments on account and are reclaimable from partners until profits have been allocated. Any over distribution of drawings during the period is also receivable from partners.

The capital of the LP shall be contributed by the Partners in such proportions and in such a manner and shall consist of such sum or sums or assets as they shall from time to time determine, taking into account the minimum capital contribution required by Partners.

The Partners shall be entitled to the capital of the LP in the same proportions as those in which they have contributed to its capital. Any subsequent contribution by any Partner shall augment his or her entitlement to the capital by an amount equal to the amount or value of that contribution.

### **General partners**

Barwood General Partner (2012) Limited

### **Statement of partners' responsibilities in respect of the financial statements**

The General Partner is responsible for preparing the General partner's report and the financial statements in accordance with the Companies Act 2006 as applied by the Partnerships (Accounts) Regulations 2008, Regulation 4.

Company law requires the general partner to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LP and of the profit or loss of the LP for that year.

## Report of the general partner

In preparing those financial statements, the general partner is required to

**Statement of partners' responsibilities in respect of the financial statements  
(continued)**

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LP will continue in business

The partners are responsible for ensuring adequate accounting records are kept which disclose with reasonable accuracy the financial position of the LP and which enable them to ensure that the accounts will comply with those regulations. The partners have a general responsibility to safeguard the assets of the LP and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year is proposed in accordance with section 487 of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

ON BEHALF OF THE PARTNERS



J A Greenslade

Designated Member (Barwood General Partner Limited)

For and on behalf of Barwood Commercial Property Limited Partnership

Date 14 Sep 2016



# Independent auditor's report to the partners of Barwood Commercial Property Limited Partnership (registered number LP015224)

We have audited the financial statements of Barwood Commercial Property Limited Partnership for the year ended 31 March 2016 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 15. 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 partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. 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 partners as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of partners and auditor**

As explained more fully in the Statement of Partners' Responsibilities set out on pages 3 to 4, the partners 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 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 qualifying partnership's affairs as at 31 March 2016 and of its profit for the period 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 as applied to limited partnerships by the Partnerships (Accounts) Regulations 2008.



Independent auditor's report to the partners of Barwood  
Commercial Property Limited Partnership (continued)  
(registered number LP015224)

**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 as applied to qualifying partnerships 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 partners' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Giles Mullins  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
Date 14 September 2016

## Profit and loss account

	Note	2016 £	2015 £
Investment income		2,176,200	2,181,526
Administration expenses		<u>(159,868)</u>	<u>(168,159)</u>
Operating profit	2	2,016,332	2,013,367
Bank interest receivable		602	47,687
Interest payable and similar charges	5	<u>(7,286,117)</u>	<u>(2,181,831)</u>
Profit/(loss) for the period before partners' remuneration and profit shares		(5,269,183)	(120,777)
Partners' remuneration charged as an expense		<u>-</u>	<u>-</u>
Result for the financial period available for discretionary division among partners		<u><u>(5,269,183)</u></u>	<u><u>(120,777)</u></u>

The LP's turnover and expenses all relate to continuing operations

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

## Balance sheet

	Note	£	2016	£	2015
<b>Fixed asset investment</b>	6		<b>182,433</b>		<b>156,029</b>
<b>Current assets</b>					
Stock	7	-		985,171	
Debtors	8	19,768,963		15,855,006	
Bank and cash		313,866		3,187,202	
		<u>20,082,829</u>		<u>20,027,379</u>	
<b>Creditors, amounts falling due within one year</b>	9	<u>(7,293,602)</u>		<u>(1,942,565)</u>	
<b>Net current assets</b>			<u>12,789,227</u>		<u>18,084,814</u>
<b>Net assets attributable to partners</b>			<u>12,971,660</u>		<u>18,240,843</u>
<b>Represented by:</b>					
<b>Loans and other debts due to partners</b>					
Partners' capital classified as a liability			18,098,290		18,098,290
Other amounts			-		-
			<u>18,098,290</u>		<u>18,098,290</u>
<b>Equity</b>					
Partners' other interests - other reserves classed as equity			<u>(5,126,630)</u>		<u>142,553</u>
			<u>12,971,660</u>		<u>18,240,843</u>
<b>Total partners' interests</b>					
Loans and other debts due to partners			18,098,290		18,098,290
Partners' other interests			<u>(5,126,630)</u>		<u>142,553</u>
			<u>12,971,660</u>		<u>18,240,843</u>

These financial statements were approved by the General Partner and authorised for issue on 14 June 2016  
are signed on their behalf by Date and



J A Greenslade  
Designated Member (Barwood General Partner Limited)

Company number LP015224

The accompanying accounting policies and notes form part of these financial statements.

## Cash flow statement

	Note	2016 £	2015 £
Net cash outflow from operating activities	13	(913,716)	(7,865,611)
<b>Returns on investments and servicing of finance</b>			
Interest received		602	47,687
Interest payable		(1,933,818)	(282,315)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(1,933,216)</u>	<u>(234,628)</u>
<b>Acquisitions and disposals</b>			
Purchase of investment		<u>(26,404)</u>	<u>(73,392)</u>
<b>Net cash outflow from acquisitions and disposals</b>		<u>(26,404)</u>	<u>(73,392)</u>
<b>Financing</b>			
Receipt of member loans		-	-
Investment by members		<u>-</u>	<u>-</u>
<b>Net cash inflow from financing</b>		<u>-</u>	<u>-</u>
<b>Decrease in cash</b>	14	<u><u>(2,873,336)</u></u>	<u><u>(8,173,631)</u></u>

**The accompanying accounting policies and notes form part of these financial statements.**

## Statement of changes in partners' funds

	Capital contribution account £	Other reserves £	Total £	Loan contribution account £	Total partners' interests £
At 1 April 2015	1,810	140,743	142,553	18,098,290	18,240,843
Loss for the financial period for division among partners	-	(5,269,183)	(5,269,183)	-	(5,269,183)
At 31 March 2016	<u>1,810</u>	<u>(5,128,440)</u>	<u>(5,126,630)</u>	<u>18,098,290</u>	<u>12,971,660</u>

## **1 Accounting policies**

### **1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and the requirements of The Partnerships (Accounts) Regulations 2008, SI 569

### **1.2 Investment income**

Investment income is the total amount receivable by the partnership from returns on investments during the year

### **1.3 Partners' participation rights**

Partners' participation rights are the rights of a partner against the LP that arise under the partners' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits)

Partners' participation rights in the earnings or assets of the LP are analysed between those that are, from the LP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments Disclosure and Presentation and UITF abstract 39 Partners' shares in co-operative entities and similar instruments. A partner's participation right results in a liability unless the right to any payment is discretionary on the part of the LP.

Amounts subscribed or otherwise contributed by partners, for example partners' capital, are classed as equity if the LP has an unconditional right to refuse payment to partners. If the LP does not have such an unconditional right, such amounts are classified as liabilities.

Conversely, where profits are divided only after a decision by the LP or its representative, so that the LP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among partners in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

All amounts due to partners that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to partners' and are charged to the Profit and Loss Account within 'Partners' remuneration charged as an expense'. Amounts due to partners that are classified as equity are shown in the Balance Sheet within 'Partners' other interests'.

### **1.4 Interest payable**

The substance of the capital introduced by the partners is that of a debt instrument. A finance charge is therefore recognised over the course of the period for which the debt instrument is outstanding, at a constant rate, taking into account an estimate of the total future distributions to the partners as a return on their investment. Any shortfall between the distributions made to date and cumulative finance charge to date is recognised as an accrual within creditors.

## **2 Operating loss**

Operating profit is stated after charging

	2016 £	2015 £
Auditor's remuneration - audit of the financial statements	<u>20,550</u>	<u>18,040</u>
Auditor's remuneration - other fees		
Taxation services	<u>7,520</u>	<u>6,715</u>

## **3 Information in relation to partners**

The average number of limited partners during the period was 15 (2015 15)

No partners were remunerated during the period (2015 nil)

## **4 Employees**

The average number of employees during the period was nil

## **5 Interest payable**

2016 £	2015 £
<u>7,286,117</u>	<u>2,181,831</u>

Interest payable relates to the return on capital introduced by partners, which is accounted for as a debt instrument. In the early periods of the fund, the interest payable is significantly higher than distributions made to the partners on capital invested, as the finance charge is an estimate of the total expected distributions over the life of the fund recognised at a constant rate over the term. Distributions are expected to come closer in line with the finance charge in later periods of the fund when profits are realised.

Total distributions to date amount to £2,501,518. The excess of the finance charge over distributions made to date amounts to £7,251,814 and is included within accruals as part of creditors.

## **6 Fixed asset investment**

	£
At cost	
At 1 April 2015	156,029
Additions	<u>26,404</u>
At 31 March 2016	<u>182,433</u>

**7 Stock**

	2016 £	2015 £
Work in progress	-	985,171
	<u>-</u>	<u>985,171</u>

**8 Debtors**

	2016 £	2015 £
Amount owed by group undertakings	19,724,270	15,838,191
Other taxes and social securities	6,731	14,767
Other debtors	37,962	2,048
	<u>19,768,963</u>	<u>15,855,006</u>

**9 Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	9,354	9,794
Accruals	7,284,248	1,932,771
	<u>7,293,602</u>	<u>1,942,565</u>

**10 Contingent liabilities**

There were no contingent liabilities at 31 March 2016 (2015 nil)

**11 Related party transactions**

During the period the partnership incurred fees of £10,000 from Barwood General Partner (2012) Limited, the partnership's General Partner

During the period the partnership incurred fees and recharged costs of £nil from Barwood Capital Limited. The directors of Barwood General Partner (2012) Limited are also directors of Barwood Capital Limited

During the period the partnership incurred recharged costs of £nil from Barwood Developments Limited. The directors of Barwood General Partner 2012 Limited are also directors of Barwood Developments Limited. These costs have been capitalised as part of the cost of the fixed asset investment

**12 Controlling related party**

Barwood General Partner 2012 Limited is considered to be the entity's controlling related party



**13 Net cash outflow from operating activities**

	2016 £	2015 £
Operating profit	2,016,332	2,013,367
(Increase)/decrease in stocks	985,171	(177,935)
(Increase)/decrease in debtors	(3,913,957)	(9,413,492)
(Decrease)/increase in creditors	(1,262)	(287,551)
	<u>(913,716)</u>	<u>(7,865,611)</u>
Net cash outflow from operating activities		

**14 Reconciliation of net cash flow to movement in net funds**

	2016 £	2015 £
Net funds at 1 April 2015	3,187,202	11,360,833
(Increase)/decrease in cash in the period and movement in net funds during the period	<u>(2,873,336)</u>	<u>(8,173,631)</u>
Net funds at 31 March 2016	<u>313,866</u>	<u>3,187,202</u>

**15 Analysis of changes in net funds**

	At 1 April 2015	Cashflow £	At 31 March 2016 £
Cash at bank	<u>3,187,202</u>	<u>(2,873,366)</u>	<u>313,866</u>

## Management information

**The following pages do not form part of the statutory financial statements**

## Detailed profit and loss account

	2016	2015
	£	£
<b>Turnover</b>		
Investment income	2,176,200	2,181,526
<b>Overheads</b>		
Non-executive salary	-	-
Bank charges	1,133	1,232
Auditor's remuneration	28,070	24,755
Legal and professional fees	129,981	142,172
Project income	-	-
Management recharges	-	-
Admin cost	684	-
	<u>159,868</u>	<u>168,159</u>
	2,016,332	2,013,367
<b>Operating profit</b>		
Interest receivable	602	47,687
Interest payable	(7,286,117)	(2,181,831)
<b>Loss on ordinary activities</b>	<u>5,269,183</u>	<u>(120,777)</u>

## Net assets attributable to partners

	Income account £	Loan account £	Total loans and other debts due to partners £	Capital contribution account £
British Airways pension	(2,833,392)	9,999,000	7,165,608	1,000
Richard Bowen	(56,669)	199,980	143,311	20
Steve Chambers	(2,834)	9,999	7,165	1
Andrew Brode	(283,339)	999,900	716,561	100
John Burbage	(283,339)	999,900	716,561	100
Gerald Dutton	(283,339)	999,900	716,561	100
Godfrey Hammond	(283,339)	999,900	716,561	100
Corran (Wakefield) Limited	(283,339)	999,900	716,561	100
Newnham Lodge LLP	(283,339)	999,900	716,561	100
Nick Wilson	(283,339)	999,900	716,561	100
Barwood Investor LLP	(252,172)	889,911	637,739	89
<b>Total</b>	<b>(5,128,440)</b>	<b>18,098,190</b>	<b>12,969,750</b>	<b>1,810</b>