

Alpha Antler REIM LLP

Report and Financial Statements

Year Ended

31 March 2013

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Alpha Antler REIM LLP

Annual report and financial statements for the year ended 31 March 2013

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Alpha Antler REIM LLP

Report of the members for the year ended 31 March 2013

The members present their report together with the audited financial statements for the year ended 31 March 2013

Principal activity, trading review and future developments

The principal activity of Alpha Antler REIM LLP (the "Partnership" or "Alpha Antler REIM") is the provision of UK commercial property investment management services

Alpha Antler REIM has a seasoned partnership and management team with extensive experience of real estate investment and finance

The profit and loss account is set out on page 6 and shows a profit of £1,132,196 (2012 £1,158,584) for the year before members' remuneration

Alpha Antler REIM focuses on active asset management to produce a strong level of leasing and continued high occupancy rates in our managed portfolios

The members believe the future outlook is positive and are actively exploring opportunities to expand the Partnership's business base and assets under management

Principal risks and uncertainties

The members are responsible for determining the level of risk acceptable to the Partnership. This is subject to regular review

The members believe the principal risks facing the Partnership are as follows

- Credit risk – the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion
- Market risk – the risk of loss that arises from adverse movements in commercial real estate values

The members seek to mitigate risks through the application of strict controls and a monitoring process at the operational level of cash flows

Alpha Antler REIM LLP

Report of the members for the year ended 31 March 2013 (Continued)

Designated members

The designated members during the year were

Alpha Real Capital LLP
K Boylan
S Thomas
T Pissarro

Members' responsibilities

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulation. The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 Group and Limited Liability Partnership and of the profit or loss of the Group and Limited Liability Partnership for that year. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Allocation of profits

Any profits are shared among the members as governed by the Limited Liability Partnership Agreement dated 1 July 2009 (as amended from time to time). Members are remunerated solely out of the profits of the Partnership and final allocation of profits to members is made in accordance with the Partnership Agreement.

Alpha Antler REIM LLP

Report of the members for the year ended 31 March 2013 (Continued)

Capital

The members may only contribute to the Partnership's capital in accordance with the Partnership Agreement

Policy for drawings, subscriptions and repayment of members' capital

The Partnership Agreement governs policies for members' drawings, subscriptions and repayment of members' capital. No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the members. The Partnership will reserve, out of profits before distribution, sufficient funds to provide for the working capital requirements of the business.

Disclosure of information to auditor

At the date of making this report each of the Partnership's members confirms the following

- So far as each member is aware there is no relevant information needed by the Partnership's auditor in connection with the preparation of their report of which the Partnership's auditor is unaware, and
- each member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant information needed by the Partnership's auditor in connection with the preparation of their report and to establish that the Partnership's auditor is aware of that information

Auditor

A resolution to re-appoint BDO LLP as auditor will be proposed at the next member's meeting

Approved by the members of Alpha Antler REIM LLP on 23 July 2013



Alpha Real Capital LLP

Designated member

[Signed on behalf of Alpha Real Capital LLP by Phillip Rose (designated member of Alpha Real Capital LLP)]

23 July 2013

Alpha Antler REIM LLP

Independent auditor's report

Independent auditor's report to the members of Alpha Antler REIM LLP

We have audited the financial statements of Alpha Antler REIM LLP for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the statement of members' responsibilities, the members 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.

Alpha Antler REIM LLP

Independent auditor's report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008

Opinion on other matters

In our opinion the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 as applied to limited liability 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,
- we have not received all the information and explanations we require for our audit



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
23 July 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Alpha Antler REIM LLP

Profit and loss account for the year ended 31 March 2013

	Note	2013 £	2012 £
Revenue	2	1,355,773	1,366,137
Administrative expenses		(223,577)	(207,553)
		<u> </u>	<u> </u>
Operating profit	3	1,132,196	1,158,584
		<u> </u>	<u> </u>
Profit for the financial year before members' remuneration and profit shares		1,132,196	1,158,584
Members' remuneration charged as an expense	8	(1,132,196)	(1,158,584)
		<u> </u>	<u> </u>
Result for the financial year available for discretionary division among the members		-	-
		<u> </u>	<u> </u>

All amounts relate to continuing activities

The notes on pages 9 to 12 form part of these financial statements

Alpha Antler REIM LLP

Balance sheet at 31 March 2013

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	Note	2013 £	2012 £
Current assets			
Debtors	6	428,996	633,898
Cash at bank and in hand		180,526	60,979
		<u>609,522</u>	<u>694,877</u>
Creditors: amounts falling due within one year			
Creditors	7	(192,855)	(63,155)
		<u>416,667</u>	<u>631,722</u>
Net current assets			
Represented by:			
Loans and other debts due to members within one year			
Amounts due to members	8	396,667	611,722
Equity			
Members' capital	8	20,000	20,000
		<u>416,667</u>	<u>631,722</u>
Total members' interests			
Total members' interest			
Amounts due to members	8	396,667	611,722
Members' capital	8	20,000	20,000
		<u>416,667</u>	<u>631,722</u>

The financial statements were approved by the members of the Alpha Antler REIM LLP and authorised for issue on 23 July 2013



Alpha Real Capital LLP

Designated member

[Signed on behalf of Alpha Real Capital LLP by Phillip Rose (designated member of Alpha Real Capital LLP)]
23 July 2013

The notes on pages 9 to 12 form part of these financial statements

Alpha Antler REIM LLP

Statement of recognised gains and losses for the year ended 31 March 2013

	2013 £	2012 £
Profit for the financial year	1,132,196	1,158,584
Total recognised gains and losses for the year	1,132,196	1,158,584

Cash flow statement for the year ended 31 March 2013

	Note	2013 £	2012 £
Net cash inflow from operating Activities	9	1,466,798	808,241
Transactions with members			
Payments to members	8	(1,347,251)	(880,202)
Increase / (decrease) in cash		119,547	(71,961)
Cash at start of year		60,979	132,940
Cash at end of year		180,526	60,979

The notes on pages 9 to 12 form part of these financial statements

Alpha Antler REIM LLP

Notes forming part of the financial statements for the year ended 31 March 2013

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Limited Liability Partnerships

Revenue

Revenue represents the invoiced value of services provided net of value added tax. Management and incentive fees are recognised as earned in accordance with the relevant investment management agreement.

Taxation

No taxation is reflected in the financial statements of the Partnership as tax is borne by the individual members in a personal capacity on their attributable profit shares of the Partnership.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Partnership's benefit.

2 Revenue

	2013 £	2012 £
Revenue consists of		
Fee income	1,355,773	1,366,137

Fee income is wholly attributable to the principal activity of the Partnership and arises solely within the United Kingdom.

3 Operating profit

	2013 £	2012 £
This has been arrived at after charging		
Auditor's remuneration – audit services	3,200	3,620
Auditor's remuneration – taxation services	4,500	2,500

Alpha Antler REIM LLP

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

4 Employees

	2013 £	2012 £
Staff costs consist of		
Wages and salaries	129,750	129,096
Social security costs	15,236	15,623
Pension costs	4,750	4,575
	<u>149,736</u>	<u>149,294</u>

The employee costs disclosed above for three staff members have been recharged from Antler Property Investments plc. The Partnership has no direct employees.

5 Members' share of profits

Profits and losses are shared by the members at the end of the year in accordance with agreed profit and loss sharing arrangements governed by the Partnership Agreement. Members are required to make their own provision for pensions and other benefits from their profit shares.

	2013	2012
Average number of members	<u>4</u>	<u>4</u>
	£	£
Average profit per member	<u>283,049</u>	<u>289,646</u>
Entitlement of partner with largest profit share	<u>949,912</u>	<u>972,052</u>

6 Debtors

	2013 £	2012 £
Trade debtors	243,159	237,631
Amount due from related parties	179,582	391,050
Prepayments and accrued income	6,255	5,217
	<u>428,996</u>	<u>633,898</u>

All amounts shown under debtors fall due for payment within one year.

Alpha Antler REIM LLP

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

7 Creditors' amounts falling due within one year

	2013 £	2012 £
Trade creditors	30,700	576
Other tax and social security	102,111	39,260
Accruals and deferred income	45,044	8,319
Other creditors	15,000	15,000
	<u>192,855</u>	<u>63,155</u>

All amounts shown under creditors fall due for payment within one year

8 Members' interests

	Members' capital (classified as equity) £	Amounts due to members £	2013 Total £	2012 Total £
Members' interests at 1 April	20,000	611,722	631,722	353,340
Members' remuneration charged as an expense	-	1,132,196	1,132,196	1,158,584
	<u>20,000</u>	<u>1,743,918</u>	<u>1,763,918</u>	<u>1,511,924</u>
Members' interests after profit for the year	20,000	1,743,918	1,763,918	1,511,924
Drawings	-	(1,347,251)	(1,347,251)	(880,202)
	<u>20,000</u>	<u>396,667</u>	<u>416,667</u>	<u>631,722</u>
Members' interests at 31 March	20,000	396,667	416,667	631,722

Members' other interests and other debts rank after unsecured creditors in the event of a winding up

Alpha Antler REIM LLP

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

9 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	1,132,196	1,158,584
Decrease / (increase) in debtors	204,902	(227,452)
Increase / (decrease) in creditors	129,700	(122,891)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,466,798	808,241
	<hr/>	<hr/>

10 Commitments under operating leases

The Partnership had no annual commitments under non-cancellable operating leases at 31 March 2013 (2012 £nil)

11 Ultimate controlling parties

Alpha Real Capital LLP is considered to be the controlling party of the Partnership at the balance sheet date. The ultimate controlling party is considered to be the designated members of Alpha Real Capital LLP.

12 Related party transactions

The Partnership provided property and asset management services to a UK property portfolio owned by the Rockmount Capital group, a group owned by a discretionary trust which is also a controlling party of the Partnership. Fees of £927,087 were charged in the year (2012 £1,026,610). Additionally, Rockmount Capital group companies have recharged administrative costs of £175,569 (2012 £189,610) to the Partnership. As at 31 March 2013, an amount of £243,115 (2012 £237,631) was due from the Rockmount Capital group.

The Partnership provided property and asset management services to Alpha Real Capital LLP, a controlling party of the Partnership. Fees of £428,686 were charged in the year (2012 £339,526). As at 31 March 2013, there was a balance of £179,582 due from Alpha Real Capital LLP (2012 £391,050).

Alpha Antler REIM LLP

Members and information

Members

Alpha Real Capital LLP *
K Boylan *
S Thomas *
T Pissarro *

* Designated members

Registered office

3rd Floor, 1b Portland Place, London, W1B 1PN

Registered number

OC345697

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Lawyers

Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS

Bankers

Barclays Bank PLC