Antler Property Investments UK LLP

Report and Financial Statements

Year Ended

31 March 2016

OC345697

Antler Property Investments UK LLP

Annual report and financial statements for the year ended 31 March 2016

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Antler Property Investments UK LLP

Report of the members for the year ended 31 March 2016

The members present their report together with the audited financial statements for the year ended 31 March 2016.

Principal activity, trading review and future developments

The principal activity of Antler Property Investments UK LLP (the "Partnership" or "API") is the provision of UK commercial property investment management services.

API has a seasoned partnership and management team with extensive experience of real estate investment and finance.

The income statement is set out on page 6 and shows a profit of £1,611,471 (2015: £1,250,595) for the year before members' remuneration.

API 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.

Designated members

The designated members during the year were:

Alpha Real Capital LLP
T Pissarro

Change of members during the year

On 13th October 2015, Mr K Boylan resigned from the partnership. His capital interest was transferred to Alpha Real Capital LLP.

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.

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 themself 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 Antler Property Investments UK LLP on 29 June 2016.

Alpha Real Capital LLP
Designated member
[Signed on behalf of Alpha Real Capital LLP by Bradley Bauman (designated member of Alpha Real Capital LLP)]

29 June 2016

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.

Independent auditor's report to the members of Antler Property Investments UK LLP

We have audited the financial statements of Antler Property Investments UK LLP for the year ended 31 March 2016 which comprise the income statement, the statement of financial position, the statement of movement in members' interests 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 directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at 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 limited liability partnership'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; 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.

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.

BDO LLP

Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
29 June 2016

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

Antler Property Investments UK LLP

Income statement for the year ended 31 March 2016

	Note	2016	2015
		£	£
Turnover	2	2,346,334	1,957,185
Cost of sales		(60,000)	(60,000)
Administrative expenses		(674,863)	(646,590)
Operating profit	3	1,611,471	1,250,595
Profit for the financial year before members' remuneration and profit shares		1,611,471	1,250,595
Members' remuneration charged as an expense		(1,611,471)	(1,250,595)
Result for the financial year available for *discretionary division among the members*		-	-

All amounts relate to continuing activities.

There are no items of other comprehensive income.

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

Antler Property Investments UK LLP

Statement of Financial Position at 31 March 2016

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	Note	2016	2015
		£	£
Current assets			
Debtors	6	1,059,722	443,591
Cash at bank and in hand		160,188	267,364
		1,219,910	710,955
Creditors: amounts falling due within one year			
Creditors	7	(709,948)	(552,113)
Net current assets		509,962	158,842
Represented by:			
Loans and other debts due to members' within one year			
Amounts due to members		499,962	138,842
Members' other interests			
Members' capital classified as equity		10,000	20,000
Total members' interests		509,962	158,842
Total members' interest			
Amounts due to members		499,962	138,842
Members' capital		10,000	20,000
		509,962	158,842

The financial statements were approved by the members of the Antler Property Investments UK LLP and authorised for issue on 29 June 2016.

Alpha Real Capital LLP
Designated member
[Signed on behalf of Alpha Real Capital LLP by Bradley Bauman (designated member of Alpha Real Capital LLP)]
29 June 2016

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

Antler Property Investments UK LLP

Statement of Movement in Members' Interest for the year ended 31 March 2016

	Members' capital (classified as equity) £	Amounts due to members £	Total Members' interests £
Members' interests at 1 April 2014	20,000	750,088	770,088
Members' remuneration charged as an expense	-	1,250,595	1,250,595
Members' interests after profit for the year	20,000	2,000,683	2,020,683
Drawings	-	(1,861,841)	(1,861,841)
Members' interests at 31 March 2015	20,000	138,842	158,842
Members' interests at 1 April 2015	20,000	138,842	158,842
Repayment of members' capital	(10,000)	-	(10,000)
Members' remuneration charged as an expense	-	1,611,471	1,611,471
Members' interests after profit for the year	10,000	1,750,313	1,760,313
Drawings	-	(1,250,352)	(1,250,352)
Members' interests at 31 March 2016	10,000	499,962	509,962

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

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

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships'. The presentation currency is £ sterling.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 is 1 April 2014. There is no impact on reported profit or loss and equity from the transition to FRS102. In the prior year, the financial statements were prepared in accordance with applicable UK Accounting Standards.

In preparing these financial statements, the partnership has taken advantage of all disclosure exemptions conferred by FRS 102. Therefore these financial statements do not include:

- a statement of cash flows; and
- a statement of segmental reporting

Turnover

Turnover 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.

Debtors

Debtors are measured at the transaction price, less any impairment.

Cash

Cash at bank and in hand consist of cash and cash balances held with banks.

Creditors

Creditors are measured at the transaction price.

Expenses

All expenses are accounted for on an accruals basis.

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.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires the use of certain accounting estimates. The areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Recoverability of receivables:
The partnership establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the partnership considers factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers.

2 Turnover

	2016	2015
	£	£
Turnover consists of:		
Fee income	2,346,334	1,957,185

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

3 Operating profit

	2016	2015
	£	£
This has been arrived at after charging:		
Auditor's remuneration – audit services	3,315	3,350
Auditor's remuneration – taxation services	4,150	3,500
Operating lease payments	25,664	26,928

4 Employees

	2016	2015
	£	£
Staff costs consist of:		
Wages and salaries	410,037	398,855
Social security costs	45,869	49,828
Pension costs	5,474	5,163
	461,380	453,846

The Partnership has an average number of direct employees of 4 during the year (2015: 3). The employee costs disclosed above also include 3 staff members which have been recharged from Antler Property Investments Plc (2015: 3)

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.

	2016	2015
Average number of members	3	3
	£	£
Average profit per member	537,157	416,865
Entitlement of partner with largest profit share	1,042,100	1,050,500

6 Debtors

	2016 £	2015 £
Trade debtors	36,476	42,728
Other debtors	-	3,036
Amount due from related parties	910,475	382,628
Prepayments and accrued income	112,771	15,200
	1,059,722	443,592

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

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	394,731	17,083
Other tax and social security	84,141	165,696
Accruals and deferred income	201,076	354,334
Other creditors	30,000	15,000
	709,948	552,113

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

8 Commitments under operating leases

The Partnership had no annual commitments under non-cancellable operating leases at 31 March 2016 (2015: £nil).

9 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.

These financial statements are included within the consolidated financial statements of Alpha Real Capital LLP which are available to the public by writing to the Chief Finance Officer at 338 Euston Road, London NW1 3BG.

10 Related party transactions

The Partnership provided property and asset management services of £749,492 (2015: £758,046) to a UK property portfolio owned by the Rockmount Capital group which is a discretionary trust that is also related to a controlling party of the Partnership. Additionally, Rockmount Capital group companies have recharged administrative costs of £224,921 (2015: £207,097) to the Partnership. As at 31 March 2016, an amount of £355,840 was due to the Rockmount Capital group (2015: £41,708 due from Rockmount).

The Partnership provided property and asset management services to Alpha Real Capital LLP, the controlling party of the Partnership. Fees of £1,335,373 were charged in the year (2015: £1,054,548). The Partnership incurred £59,628 (2015: £62,714) in respect of occupational recharges and recharges of costs incurred in providing support to the Partnership. During the year Alpha Real Capital LLP advanced £527,848 to the Partnership (2015: £235,031). As at 31 March 2016, there was an outstanding loan owed to the Partnership from Alpha Real Capital LLP of £910,475 (2015: £382,628). The loan encompasses all outstanding positions with the Partnership.

Antler Property Investments UK LLP

Members and information

Members

Alpha Real Capital LLP *
T Pissarro *

* Designated members

Registered office

6th Floor, 338 Euston Road, London, NW1 3BG

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