

Alpha Antler REIM LLP

Report and Financial Statements

Year Ended

31 March 2014

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Alpha Antler REIM LLP

Annual report and financial statements for the year ended 31 March 2014

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Alpha Antler REIM LLP

Report of the members for the year ended 31 March 2014

The members present their report together with the audited financial statements for the year ended 31 March 2014.

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 £1,016,831 (2013: £1,132,196) 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 2014 (*continued*)

Designated members

The designated members during the year were:

Alpha Real Capital LLP
K Boylan
S Thomas (retired 1st August 2013)
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 2014 (*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 7 July 2014.



Alpha Real Capital LLP

Designated member

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

7 July 2014

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 2014 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 (*continued*)

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 2014 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
7 July 2014

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 2014

	Note	2014 £	2013 £
Revenue	2	1,302,387	1,355,773
Administrative expenses		(285,556)	(223,577)
		<hr/>	<hr/>
Operating profit	3	1,016,831	1,132,196
		<hr/>	<hr/>
Profit for the financial year before members' remuneration and profit shares		1,016,831	1,132,196
Members' remuneration charged as an expense	8	(1,016,831)	(1,132,196)
		<hr/>	<hr/>
Result for the financial year available for discretionary division among the members		-	-
		<hr/>	<hr/>

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 2014

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	Note	2014 £	2013 £
Current assets			
Debtors	6	858,238	428,996
Cash at bank and in hand		86,295	180,526
		<u>944,533</u>	<u>609,522</u>
Creditors: amounts falling due within one year			
Creditors	7	(174,445)	(192,855)
		<u>770,088</u>	<u>416,667</u>
Net current assets			
		<u>770,088</u>	<u>416,667</u>
Represented by:			
Loans and other debts due to members within one year			
Amounts due to members	8	750,088	396,667
Equity			
Members' capital	8	20,000	20,000
		<u>770,088</u>	<u>416,667</u>
Total members' interests			
		<u>770,088</u>	<u>416,667</u>
Total members' interest			
Amounts due to members	8	750,088	396,667
Members' capital	8	20,000	20,000
		<u>770,088</u>	<u>416,667</u>

The financial statements were approved by the members of the Alpha Antler REIM LLP and authorised for issue on 7 July 2014.



Alpha Real Capital LLP
Designated member

[Signed on behalf of Alpha Real Capital LLP by Phillip Rose (designated member of Alpha Real Capital LLP)]
7 July 2014.

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 2014

	2014 £	2013 £
Profit for the financial year	1,016,831	1,132,196
Total recognised gains and losses for the year	1,016,831	1,132,196

Cash flow statement for the year ended 31 March 2014

	Note	2014 £	2013 £
Net cash inflow from operating Activities	9	569,179	1,466,798
Transactions with members			
Payments to members	8	(663,410)	(1,347,251)
(Decrease) / increase in cash		(94,231)	119,547
Cash at start of year		180,526	60,979
Cash at end of year		86,295	180,526

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 2014

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 Partnerships benefit.

2 Revenue

	2014 £	2013 £
Revenue consists of:		
Fee income	1,302,387	1,355,773

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

3 Operating profit

	2014 £	2013 £
This has been arrived at after charging:		
Auditor's remuneration – audit services	3,400	3,200
Auditor's remuneration – taxation services	3,750	4,500
Operating lease payments	3,870	-

Alpha Antler REIM LLP

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

4 Employees

	2014 £	2013 £
Staff costs consist of:		
Wages and salaries	148,161	129,750
Social security costs	17,797	15,236
Pension costs	5,144	4,750
	<u>171,102</u>	<u>149,736</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.

	2014	2013
Average number of members	<u>3</u>	<u>4</u>
	£	£
Average profit per member	<u>338,943</u>	<u>283,049</u>
Entitlement of partner with largest profit share	<u>836,340</u>	<u>949,912</u>

6 Debtors

	2014 £	2013 £
Trade debtors	231,221	243,159
Amount due from related parties	617,658	179,582
Prepayments and accrued income	9,359	6,255
	<u>858,238</u>	<u>428,996</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 2014 (*continued*)

7 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	22,778	30,700
Other tax and social security	101,582	102,111
Accruals and deferred income	20,085	45,044
Other creditors	30,000	15,000
	<u>174,445</u>	<u>192,855</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 £	2014 Total £	2013 Total £
Members' interests at 1 April	20,000	396,667	416,667	631,722
Members' remuneration charged as an expense	-	1,016,831	1,016,831	1,132,196
	<u>20,000</u>	<u>1,413,498</u>	<u>1,433,498</u>	<u>1,763,918</u>
Members' interests after profit for the year	20,000	1,413,498	1,433,498	1,763,918
Drawings	-	(663,410)	(663,410)	(1,347,251)
	<u>20,000</u>	<u>750,088</u>	<u>770,088</u>	<u>416,667</u>
Members' interests at 31 March	20,000	750,088	770,088	416,667

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 2014 (continued)

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

	2014 £	2013 £
Operating profit	1,016,831	1,132,196
(Increase) / decrease in debtors	(429,242)	204,902
(Decrease) / increase in creditors	(18,410)	129,700
	<hr/>	<hr/>
Net cash inflow from operating activities	569,179	1,466,798
	<hr/>	<hr/>

10 Commitments under operating leases

The Partnership had no annual commitments under non-cancellable operating leases at 31 March 2014 (2013: £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 £910,853 were charged in the year (2013: £927,087). Additionally, Rockmount Capital group companies have recharged administrative costs of £202,028 (2013: £175,569) to the Partnership. As at 31 March 2014, an amount of £231,221 (2013: £243,115) was due from the Rockmount Capital group.

The Partnership provided property and asset management services to Alpha Real Capital LLP, the controlling party of the Partnership. Fees of £376,535 were charged in the year (2013: £428,686). The Partnership incurred £8,192 (2013: £nil) in respect of occupational recharges and recharges of costs incurred in providing support to the Partnership. During the year the Partnership advanced Alpha Real Capital LLP £438,076 (2013: £nil). As at 31 March 2014, there was an outstanding loan owed to the Partnership from Alpha Real Capital LLP of £617,658 (2013: £179,582). The loan encompasses all outstanding positions with the Partnership.

Alpha Antler REIM LLP

Members and information

Members

Alpha Real Capital LLP *

K Boylan *

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