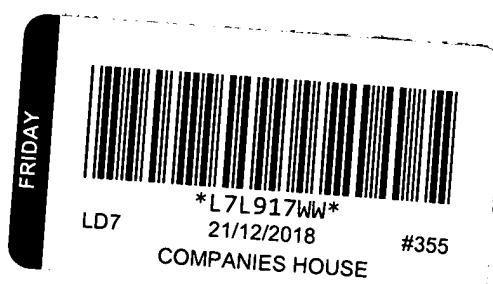


Partnership No. OC389454 (England and Wales)

**ELEPHANT AND CASTLE LLP**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



# **ELEPHANT AND CASTLE LLP**

## **PARTNERSHIP INFORMATION**

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<b>Designated members</b>	DOOR, S.L.P. Stichting Depository APG Strategic Real Estate Pool QD UK Holdings Limited Partnership
<b>Member</b>	Kintyre Corp Qatari Diar Real Estate Investment Company Q.P.S.C.
<b>Partnership number</b>	OC389454
<b>Date of incorporation</b>	26 November 2013
<b>Registered office</b>	6th Floor Lansdowne House Berkeley Square London W1J 6ER
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# **ELEPHANT AND CASTLE LLP**

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LLP statement of financial position	7
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# ELEPHANT AND CASTLE LLP

## DESIGNATED MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The members present their report and financial statements for the year ended 31 March 2018.

### Principal activity

The principal activity of the Partnership is that of property investment and development.

### Going concern

The financial statements have been prepared on a going concern basis. The group has net current liabilities and is in a loss making position. The members consider that the group will receive sufficient funds from the designated members, as the designated members have agreed to provide sufficient funding, in accordance with the LLP agreement, to meet the Group's liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

### Principal risks and uncertainties and key performance indicators

In the opinion of the members, the major risk faced by the business relates to fluctuations in the property market. The members believe that the quality of their property and the development largely protects the Group from general movements in this market.

The Group's key performance indicators are:

	2018	2017
	£	£
Net assets	62,914,675	59,952,059
Loss after tax	(3,837,384)	(6,889,332)

### Designated members

The following designated members have held office since 1 April 2017:

Stichting Depository APG Strategic Real Estate Pool  
DOOR, S.L.P. (appointed 30 August 2018)  
QD UK Holdings Limited Partnership (appointed 30 August 2018)  
Castle Real Estate Investments Co. Limited (resigned 30 August 2018)

### Members

The following members have held office since 1 April 2017:

Kintyre Corp  
Qatari Diar Real Estate Investment Company Q.P.S.C. (appointed 30 August 2018)

### Disclosure of information to auditors

The designated members who were members of the Partnership at the time of approving the Designated Members' report are shown above. Having made enquiries of the Partnership's auditors, the designated members confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of its report of which the auditors are not aware; and
- the members have taken all the steps they may reasonably be expected to have taken to be aware of relevant audit information and to establish that the Partnership's auditors are aware of this information.

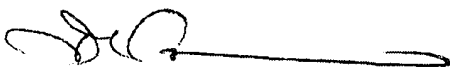
### Auditors

Ernst & Young LLP were appointed auditors to the Partnership and a resolution proposing that they be reappointed will be put to the Annual General Meeting.

### Small Partnership's exemption

In preparing the report and financial statements, the members have taken advantage of the small partnerships' exemption provided under the Companies Act 2006. The members have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 from the requirement to produce a Strategic Report for the year.

On behalf of the members



DOOR, S.L.P.  
James Gibbons

Designated member

20 Dec 2018

# **ELEPHANT AND CASTLE LLP**

## **STATEMENT OF DESIGNATED MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2018**

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The designated members are responsible for preparing the Designated Members' report and financial statements in accordance with applicable United Kingdom law and regulations.

The Companies Act 2006 as applied by the Limited Liability Regulations 2008 requires the designated members to prepare financial statements for each financial year. Under the law the designated members have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the designated 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 Partnership and of its profit and loss for that year.

In preparing these financial statements, the designated members are required to:

- select suitable and appropriate 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 Partnership will continue in business.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEPHANT AND CASTLE LLP**

**FOR THE YEAR ENDED 31 MARCH 2018**

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## **Opinion**

We have audited the financial statements of Elephant and Castle LLP for the year ended 31 March 2018 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and LLP Statement of Financial Position and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and the LLP's affairs as at 31 March 2018 and of their loss for the year ended 31 March 2018;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the designated members' report set out on page 1, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEPHANT AND CASTLE LLP**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the designated members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime and take advantage of the small limited liability partnerships' exemption from the requirements to prepare a Strategic Report and take advantage of the small limited liability partnerships' exemption in preparing the designated members' report.

**Responsibilities of designated members**

As explained more fully in the members' responsibilities statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the partnership's members, as a body, in accordance with our engagement letter dated 18th August 2017. Our audit work has been undertaken so that we might state to the 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.

*Ernst & Young LLP*

Daniel Saunders (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

*21 December 2018*

# ELEPHANT AND CASTLE LLP

## GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	1.6	5,934,917	5,007,158
Cost of Sales		(3,921,671)	(2,335,136)
Gross profit		2,013,246	2,672,022
Administrative expenses		(1,157,274)	(901,020)
Loss on fair value of investment property under construction	5	(2,964,377)	(6,599,122)
Operating loss		(2,108,405)	(4,828,120)
Interest receivable and similar income		-	19
Interest payable and similar charges	2	(1,746,414)	(2,385,643)
Gain on fair value of derivative	3	17,435	326,126
Loss on ordinary activities before taxation		(3,837,384)	(6,887,618)
Tax	4	-	(1,714)
Loss for the year before members' remuneration and profit shares		(3,837,384)	(6,889,332)
Member's remuneration charged as an expense		-	-
Result for the financial year available for discretionary division among members		(3,837,384)	(6,889,332)

### GROUP STATEMENT OF COMPREHENSIVE INCOME

The Group has no comprehensive income other than the results for the year as set out above.



# ELEPHANT AND CASTLE LLP

## GROUP STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Investment property in the course of construction	5	96,000,000	96,000,000
<b>Current assets</b>			
Debtors	7	1,239,954	2,235,760
Prepayments		356,361	336,703
Cash at bank and in hand		7,320,043	3,624,971
		<u>8,916,358</u>	<u>6,197,434</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(42,001,683)</u>	<u>(2,240,306)</u>
<b>Net current (liabilities) / assets</b>		<u>(33,085,325)</u>	<u>3,957,128</u>
<b>Total assets less current liabilities</b>		<u>62,914,675</u>	<u>99,957,128</u>
<b>Creditors: amounts falling due after more than one year</b>	9	-	(40,005,069)
<b>Net assets attributable to members</b>		<u><u>62,914,675</u></u>	<u><u>59,952,059</u></u>
<b>Represented by:</b>			
Members' capital - classified as equity	10	63,800,001	57,000,001
Members' non-distributable reserves - classified as equity		173,406	3,120,348
Attributable loss		(1,058,732)	(168,290)
		<u><u>62,914,675</u></u>	<u><u>59,952,059</u></u>
<b>Total members' interests</b>			
Members' capital contribution - classified as equity	10	63,800,001	57,000,001
Members' non-distributable reserves - classified as equity		173,406	3,120,348
Attributable loss		(1,058,732)	(168,290)
		<u><u>62,914,675</u></u>	<u><u>59,952,059</u></u>

These accounts have been prepared under the special provisions applicable to companies subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members on 20 Dec 2018



For and on behalf of  
DOOR, S.L.P.  
James Gibbons  
Designated member

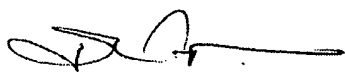
# ELEPHANT AND CASTLE LIMITED LLP

## LLP STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Investment in subsidiaries	6	1	1
<b>Current assets</b>			
Debtors	7	60,110,663	56,320,946
Cash at bank and in hand		3,621,500	632,865
		<u>63,732,163</u>	<u>56,953,811</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(19,735)</u>	<u>(19,321)</u>
<b>Net current assets</b>		<u>63,712,428</u>	<u>56,934,490</u>
<b>Net assets attributable to members</b>		<u>63,712,429</u>	<u>56,934,491</u>
<b>Represented by:</b>			
Members' capital - classified as equity	10	63,800,001	57,000,001
Attributable loss		<u>(87,572)</u>	<u>(65,510)</u>
		<u>63,712,429</u>	<u>56,934,491</u>

These accounts have been prepared under the special provisions applicable to companies subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members on 30 Dec 2018



For and on behalf of  
DOOR, S.L.P.  
James Gibbons  
Designated member

# ELEPHANT AND CASTLE LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

#### 1.1 Statement of compliance

Elephant and Castle LLP is a limited liability partnership, incorporated and domiciled in England and Wales, the registered office is 6th floor Lansdowne House, Berkeley Square, London, W1J 6ER.

The Group's financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships - January 2017".

The entity meets the criteria of a 'small entity' in accordance with Section 1A of the standards and has chosen to apply the small entities regime.

#### 1.2 Basis of preparation

The Group's financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The financial statements are prepared in Sterling which is the functional currency of the Group.

#### 1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 31 March each year.

The results of subsidiaries acquired or sold during the year are included in the income statement from, or up to, the date control passes.

#### *Key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The following estimate has had the most significant effect on amounts recognised in the financial statements.

#### *Valuation of investment property under construction*

The fair value of investment property is determined by the Designated Members, having reference to a valuation prepared by a professional external valuer using recognised valuation techniques.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams and the overall repair and condition of the property) and the discount rates applicable to those assets. Future revenue streams, inter alia, comprise contracted rent (passing rent) and estimated rental income (ERV) after the contract period. In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date.

#### 1.4 Going concern

The financial statements have been prepared on a going concern basis. The group has net current liabilities and is in a loss making position. The members consider that the group will receive sufficient funds from the designated members, as the designated members have agreed to provide sufficient funding, in accordance with the LLP agreement, to meet the Group's liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

#### 1.5 Cash flow statement

The Group has taken advantage of the exemption in FRS 102 Section 1A.8 from the requirement to produce a cash flow statement on the grounds that it is a small partnership.

#### 1.6 Turnover

The total turnover for the year represents service charge and rental income recognised on a straight line basis that arises in the United Kingdom. Turnover for the year comprises rental income of £4,367,843 (2017: £5,007,158) and service charge income of £1,567,074 (2017:£nil).

#### 1.7 Taxation

Income tax payable on the LLP's profit is solely the personal liability of the members and consequently is not dealt with in these financial statements.

The LLP is not taxed as a corporate entity.

Tax liabilities of entities within the group which are taxable are recorded in the profit and loss and the respective liability (if any) in the balance sheet.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the members consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# ELEPHANT AND CASTLE LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies (continued)

#### 1.8 Investment property under construction

Investment properties are initially recognised at cost. Investment properties are then revalued annually on an open market basis by the Designated Members, having had reference to valuations carried out by appropriately qualified external valuers. Any revaluation surplus or deficit arising is recognised in the Income Statement. No depreciation or amortisation is provided in respect of investment properties.

#### 1.9 Investments in subsidiaries

Shares in Group undertakings are stated at cost less any provision for impairment.

#### 1.10 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

#### 1.11 Financial instruments

The Group uses interest rate swaps to adjust interest rate exposures. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves. The Group does not undertake any hedge accounting transactions.

#### 1.12 Members' participations

Members' participation give rise to a number of rights, obligation and entitlements which result in the recognition by the firm of various assets, liabilities and residual interests in its net assets (i.e. equity) as set out below.

##### *Members' capital (classified as equity)*

All Members' capital is introduced as capital contributions.

Members' capital classified as equity, which is repayable only by approval by the Board or when it ceases to be a member.

##### *Allocation of profits and losses*

Profits and losses are allocated on a pro-rata basis by the number of units held by each member.

##### *Members' interests*

Members' other interests include profits/loss to be divided and other equity reserves. In the event of winding up, members' other interests along with members' capital rank after unsecured creditors.

Total members' interests represents the Partnership's equity and members' capital, less amounts due from members.

##### *Members' non-distributable reserves*

Members' non-distributable reserves classified as equity comprises accumulated unrealised fair value gains/losses, which are unavailable for distribution to members.

##### *Attributable loss reserve*

The attributable loss reserve comprises the accumulated residual loss after the allocation of fair value gains/losses to the members' non-distributable reserve, to be allocated to the members.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

### 2 Interest payable and similar charges

	2018 Group £	2017 Group £	2018 LLP £	2017 LLP £
Bank loans	1,664,620	2,297,173	-	-
Bank charges and other interest payable	81,794	88,470	-	-
	<u>1,746,414</u>	<u>2,385,643</u>	<u>-</u>	<u>-</u>

### 3 Financial instruments

Elephant and Castle Properties Co. Limited, a wholly owned company of the Partnership entered into an interest rate swap to hedge its exposure to interest rate rises. The total debt subject to the interest rate swap is £40,000,000 with the fair value of the interest rate swap amounting to an asset (2017: liability) of £4,403 (2017: £13,032). The movement in fair value is recognised through the income statement.

# ELEPHANT AND CASTLE LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

<b>4</b>	<b>Taxation</b>				
	<b>(a) Analysis of tax charge for the year/period</b>				
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>Group</b>	<b>Group</b>	<b>LLP</b>	<b>LLP</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Current tax				
	UK tax	-	-	-	-
	Prior year adjustment	-	1,714	-	-
	<b>Current tax charge</b>	<b>-</b>	<b>1,714</b>	<b>-</b>	<b>-</b>
	<b>(b) Factors affecting the total tax charge for the year/period</b>				
	Loss on ordinary activities before tax	(3,837,384)	(6,887,618)	(22,062)	(22,700)
	Loss on ordinary activities before taxation multiplied by the basic rate of UK income tax of 20% (2017: 20%)	(767,477)	(1,377,524)	(4,412)	(4,540)
	Effects of:				
	Non-taxable income	(746,743)	(641,489)	-	-
	Unrelieved losses carried forward	820,403	692,530	-	-
	Non deductible expenses	96,224	70,293	4,412	4,540
	Effects of different rates of tax	4,718	1,591	-	-
	Prior year adjustment	-	1,714	-	-
	Timing differences	-	(65,225)	-	-
	Loss on fair value of investment property under construction	592,875	1,319,824	-	-
		<b>767,477</b>	<b>1,379,238</b>	<b>4,412</b>	<b>4,540</b>
	<b>Total tax expense</b>	<b>-</b>	<b>1,714</b>	<b>-</b>	<b>-</b>

The group has an unrecognised deferred tax asset at 31 March 2018 in respect of losses carried forward of £2,419,300 (2017: £1,613,026), calculated using the basic rate of UK income tax of 20% and main rate of UK corporation tax of 17% (2017: 17%). The asset is not recognised since the designated members do not consider that it is sufficiently certain that suitable taxable profits will arise in the Group against which the losses can be offset.

### (c) Factors that may affect future tax charges

The Finance Act 2016 was enacted on 15 September 2016, and introduced a reduction of the headline rate of corporation tax to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

<b>5</b>	<b>Investment property in the course of construction</b>	<b>2018</b>	<b>2017</b>
		<b>Group</b>	<b>Group</b>
		<b>£</b>	<b>£</b>
	At 1 April	96,000,000	100,000,000
	Additions	2,964,377	2,599,122
	Revaluation	(2,964,377)	(6,599,122)
	<b>At 31 March</b>	<b>96,000,000</b>	<b>96,000,000</b>

The valuations were undertaken in accordance with RICS Valuation Standards, Sixth Edition in the United Kingdom by CB Richard Ellis, who are qualified for the purpose of the valuation in accordance with the RICS valuation standard.

The most recent valuation of the Company's property was at 31 March 2018, based on the following:

- information provided by management including confidential rent rolls, expected vacancy, break options, expiry dates, lease incentives, service charges, capital expenditure, costs to complete and expected rental income on unlet units; and
- market assumptions derived from their own independent assessment and market observations.

# ELEPHANT AND CASTLE LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6	Investment in subsidiaries	2018 LLP £ 1	2017 LLP £ 1
---	----------------------------	-----------------------	-----------------------

The principal subsidiaries of which the Partnership directly or indirectly holds 100% of the issued ordinary share capital are as follows. The registered office of the subsidiaries incorporated in England and Wales is 6th Floor Lansdowne House, Berkeley Square, London, W1J 6ER and the registered office of the subsidiaries incorporated in the British Virgin Islands is Cragmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands.

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
Castle Properties Co. Limited	British Virgin Islands	Real estate investment
Elephant and Castle Properties Limited	England and Wales	Property company
Elephant and Castle Properties Co. Limited	British Virgin Islands	Real estate investment
Elephant Three (Holdco) Limited	British Virgin Islands	Real estate investment
Elephant Three Properties Limited	British Virgin Islands	Property company
Elephant Three Development UK Limited	England and Wales	Property development services
Elephant & Castle Development UK Limited	England and Wales	Property development services

7	Debtors	2018 Group £	2017 Group £	2018 LLP £	2017 LLP £
	Trade debtors	1,110,037	2,155,768	-	-
	Other taxes and social security costs	-	-	697	-
	Other debtors	125,514	79,992	-	-
	Amounts due from subsidiary undertaking	-	-	60,109,966	56,320,946
	Derivative	4,403	-	-	-
		<u>1,239,954</u>	<u>2,235,760</u>	<u>60,110,663</u>	<u>56,320,946</u>
8	Creditors: amounts falling due within one year	2018 Group £	2017 Group £	2018 LLP £	2017 LLP £
	Bank loan (net of unamortised finance costs)	40,000,000	-	-	-
	Trade creditors	621,013	627,342	414	-
	Accruals and deferred income	1,033,099	1,262,558	19,320	19,320
	Other creditors	174,823	132,474	1	1
	Other taxes and social security costs	172,748	217,932	-	-
		<u>42,001,683</u>	<u>2,240,306</u>	<u>19,735</u>	<u>19,321</u>
9	Creditors: amounts falling due after more than one year	2018 Group £	2017 Group £	2018 LLP £	2017 LLP £
	Bank loan (net of unamortised finance costs)	-	39,992,037	-	-
	Derivative	-	13,032	-	-
		<u>-</u>	<u>40,005,069</u>	<u>-</u>	<u>-</u>
	Bank loan maturity analysis:				
	Less than one year (note 8)	40,000,000	-	-	-
	Between one and two years	-	40,000,000	-	-
	Between two and five years	-	-	-	-
	Unamortised finance costs	-	(7,963)	-	-
		<u>40,000,000</u>	<u>39,992,037</u>	<u>-</u>	<u>-</u>

On 11 April 2014 the Company completed on a £40,000,000 facility repayable in 3 years with the option to extend for a further 1 year and the facility was extended to April 2018. The facility was further extended to January 2019. The loan facility is fully hedged and bears interest of LIBOR plus a margin of 3.5%.

## ELEPHANT AND CASTLE LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 10 Reconciliation of members' interests - Group

	Members' Capital (classified as equity) £	Members' non-distributable reserves £	Attributable loss £	Total Equity £	Total members' interests £
Balance as at 1 April 2017	57,000,001	3,120,348	(168,290)	59,952,059	59,952,059
Loss for the year	-	(2,946,942)	(890,442)	(3,837,384)	(3,837,384)
Members' interest after loss for the year	57,000,001	173,406	(1,058,732)	56,114,675	56,114,675
Capital introduced by members	6,800,000	-	-	6,800,000	6,800,000
As at 31 March 2018	63,800,001	173,406	(1,058,732)	62,914,675	62,914,675

Units	1 April 2017	Units issued	31 March 2018
Castle Real Estate Investments Co. Limited	28,500,000	3,400,000	31,900,000
Stichting Depository APG Strategic Real Estate Pool	28,500,000	3,400,000	31,900,000
Kintyre Corp	1	-	1
	57,000,001	6,800,000	63,800,001

Under the Limited Liability Partnership Agreement, Kintyre Corp is entitled to promote payments on distributions if and after certain amounts of distributions have been made to other members of the LLP. At 31 March 2018 (2017: £nil) no promote payments were due to Kintyre Corp.

#### Reconciliation of members' interests - LLP

	Members' Capital (classified as equity) £	Attributable loss £	Total Equity £	Total members' interests £
Balance as at 1 April 2017	57,000,001	(65,510)	56,934,491	56,934,491
Loss for the year	-	(22,062)	(22,062)	(22,062)
Members' interest after loss for the year	57,000,001	(87,572)	56,912,429	56,912,429
Capital introduced by members	6,800,000	-	6,800,000	6,800,000
As at 31 March 2018	63,800,001	(87,572)	63,712,429	63,712,429

#### 11 Employees

The Partnership did not have any employees during the year (2017: nil).

The Designated Members and Members did not receive emoluments or fees from the Partnership for their duties as Members during the current year (2017: nil).

#### 12 Related party transactions

The company has taken advantage of the exemption in Section 1A of FRS 102 from the requirement to disclose transactions with group undertakings on the grounds that it is a wholly owned subsidiary.

Bank charges and other interest payable (note 2) includes £81,794 (2017: £88,470) of interest payable to the ultimate parent of Castle Real Estate Investments Co. Limited.

#### 13 Ultimate parent company

There was no ultimate parent company because the Partnership is jointly owned. For the same reason, there is no smallest and largest group into which they are consolidated.

#### 14 Guarantees

As permitted by s479C of the Companies Act 2006 ('the Act'), the LLP has provided guarantees in respect of all outstanding liabilities relating to the year ended 31 March 2018 in respect of Elephant and Castle Properties Limited (Registered No: 04434716 and whose Registered Office address is at 6th Floor, Lansdowne House, Berkeley Square, London, W1J 6ER), which is exempt from the requirements of the Act relating to the audit of individual accounts.

## **ELEPHANT AND CASTLE LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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#### **15 Subsequent events**

On 30 August 2018, DV4 Limited completed contracts with Oxford Properties, a Canadian global real estate investor, to form a co-investment vehicle called Delancey Oxford Residential ("DOOR"). DOOR and QD UK Holdings Limited Partnership have taken a shareholding of Elephant and Castle LLP, with the existing shareholder Stichting Depository APG Strategic Real Estate Pool reducing its shareholding in the group.