

Registered number: SC291770

**PARTNERSHIP
ACCOUNTS**

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

COMPANY INFORMATION

DIRECTORS

Katherine Garrett-Cox
Alan Trotter

COMPANY SECRETARY

Donald McPherson

REGISTERED NUMBER

SC291770

REGISTERED OFFICE

8 West Marketgait
Dundee
DD1 1QN

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

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ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the financial statements for the year ended 31 December 2014. The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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 principal activity of the Company is to act as General Partner of Alliance Trust Real Estate Partners LP. The Company also acts as Manager of Alliance Trust Real Estate Partners LP. The Company is a wholly owned subsidiary of Alliance Trust PLC.

DIRECTORS

The Directors who served during the year and to the date of this report were:

Katherine Garrett-Cox
Alan Trotter

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

PROVISION 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 auditors are 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 auditors are aware of that information.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

GOING CONCERN

The Company's business activities, together with any factors likely to effect its future developments and position, are set out above.

The Company is in a net current liability position. The net current liability position is due to amounts owing to fellow Alliance Trust Group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the Alliance Trust Group ("the Group"). The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and that of the ultimate parent company, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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



.....
Donald McPherson
Secretary

Date: 3 September 2015

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

We have audited the financial statements of Alliance Trust Real Estate Partners (GP) Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and related notes 1 to 9. 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2014 and of its result 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.

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.

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE TRUST REAL ESTATE PARTNERS (GP) 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 take advantage of the small companies' exemption from preparing a Strategic report or in preparing the Directors' Report.



Calum Thomson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

3 September 2015

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED
REGISTERED NUMBER: SC291770

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014


The Company did not trade during the current or preceding period, and has made neither a profit or a loss or any other recognised gain or loss, accordingly no Profit and Loss Account is presented.

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	3		100		100
CURRENT ASSETS					
Debtors	4	2		2	
CREDITORS: amounts falling due within one year	5	(100)		(100)	
NET CURRENT LIABILITIES			(98)		(98)
NET ASSETS			2		2
CAPITAL AND RESERVES					
Called up share capital	6		2		2
SHAREHOLDERS' FUNDS	7		2		2

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


 Katherine Garrett-Cox
 Director


 Alan Trotter
 Director

Date: 3 September 2015

Date: 3 September 2015

The notes on pages 6 to 8 form part of these financial statements.

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future developments and position are set out in the Directors' Report on pages 1 to 2. The Company is in a net current liability position. The net current liability position is due to amounts owing to fellow Alliance Trust Group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the Group.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and that of the ultimate parent company, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

There have been no cash transactions in either the current or prior years. Accordingly no cash flow statement has been presented in these financial statements.

Investments

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

2. DIRECTORS' AND EMPLOYEES' BENEFITS

The Company employed no staff during the year (2013: Nil).

The Directors did not receive any remuneration for their qualifying services to the Company during the year (2013: Nil).

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	<u>100</u>
Net book value	
At 31 December 2014	<u>100</u>
At 31 December 2013	<u>100</u>

The Company has a 100% interest as General Partner of Alliance Trust Real Estate Partners LP which is a limited partnership registered in Scotland.

4. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	<u>2</u>	<u>2</u>

5. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	<u>100</u>	<u>100</u>

6. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Shareholders' funds at 1 January 2014 and 31 December 2014	<u>2</u>	<u>2</u>

ALLIANCE TRUST REAL ESTATE PARTNERS (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Alliance Trust PLC the Company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling entity is Alliance Trust PLC, incorporated in Scotland, whose Report and Accounts may be obtained from its registered office at 8 West Marketgait, Dundee, DD1 1QN or online at www.alliancetrust.co.uk.

The auditor's remuneration of £1,150 (2013: £1,100) has been paid by Alliance Trust PLC, the ultimate parent entity. No non audit fees (2013: £Nil) were payable to Deloitte LLP in respect of services provided to the Company.

Registration No. SL005576

**ALLIANCE TRUST REAL ESTATE
PARTNERS (LP)**

Report and Accounts

For the year ended 31 December 2014

Alliance Trust Real Estate Partners (LP)
Report and Accounts for the year ended 31 December 2014
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Alliance Trust Real Estate Partners (LP)
Report and Accounts for the year ended 31 December 2014
Registered Office and Professional Advisers

Registered Office
8 West Marketgait
Dundee
DD1 1QN

Bankers
Royal Bank of Scotland
Dundee Chief Office
3 High Street
Dundee
DD1 9LY

Independent Auditor
Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

Alliance Trust Real Estate Partners (LP)
Report and Accounts for the year ended 31 December 2014
General Partner's Report

The General Partner presents its report together with the accounts of the Partnership for the year ended 31 December 2014.

Registration

Alliance Trust Real Estate Partners (LP) was registered as a limited partnership in Scotland under the Limited Partnerships Act 1907 on 29 October 2005.

Principal activity

The principal activity of the Partnership is to invest in Real Estate. The General Partner is Alliance Trust Real Estate Partners (GP) Limited, which is also the manager.

Financial risk management objectives and policies

The Partnership's activities expose it to a number of financial risks including market risk and credit risk.

Market risk

Market risk is the risk that changes in market prices will reduce the value of the Partnership's investment properties or reduce the rentals receivable from these properties. The directors of the General Partner actively monitor this risk.

Credit risk

This is the risk that counterparty fails to discharge its obligations under a transaction, resulting in the Partnership suffering a loss. The significant counterparties are banks with high credit ratings and the lessees of the Partnership's investment properties. This risk is not considered to be significant.

Results

The results for the year to 31 December 2014 are shown in the profit and loss account on page 6.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

The Partnership's business activities, together with any factors likely to affect its future development and position, are set out above.

The Partnership participates in Alliance Trust PLC's ("the Group's") centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Partnership's financial position and that of the ultimate parent company, the Partners have a reasonable expectation that the Partnership will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Alliance Trust Real Estate Partners (LP)
Report and Accounts for the year ended 31 December 2014
General Partner's Report

Disclosure of information to auditor

The General Partner at the date of approval of this General Partner's report confirms that, so far as it is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and the General Partner has taken all the steps that it ought to have taken as a General Partner to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the General Partner on 3 September 2015



Katherine Garrett-Cox

Director of Alliance Trust Real Estate Partners (GP) Limited as General Partner of Alliance Trust Real Estate Partners (LP)

Alliance Trust Real Estate Partners (LP)
Report and Accounts for the year ended 31 December 2014
General Partner's Responsibilities Statement

The directors of the General Partner are responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year. Under that law the directors of the General Partner have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors of the General Partner 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 or loss for that period. In preparing these financial statements, the directors of the General Partner 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The directors of the General Partner are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnerships (Accounts) Regulations 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

Alliance Trust Real Estate Partners (LP)

Report and Accounts for the year ended 31 December 2014

Independent auditor's report to the members of Alliance Trust Real Estate Partners (LP)

We have audited the financial statements of Alliance Trust Real Estate Partners (LP) for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movement in Partners' Funds, Cash Flow Statement and the related notes 1 to 11. 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 qualifying partnership's members, 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 qualifying 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 qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the general partner and auditor

As explained more fully in the General Partner's Responsibilities Statement, the General Partner is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 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 qualifying partnerships.

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;
- certain disclosures of the General Partner's remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies' exemption from preparing a Strategic Report or in preparing the General Partner's Report.



Calum Thomson (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

3 September 2015

Alliance Trust Real Estate Partners (LP)
Profit and Loss Account
Year Ended 31 December 2014

	Notes	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Income			
Rentals receivable		233,601	372,190
Service charge income receivable		144,495	183,256
Interest receivable		30	366
Other income		98,010	40,399
		<hr/>	<hr/>
		476,136	596,211
		<hr/>	<hr/>
Expenses			
Administrative expenses	3	(281,300)	(250,925)
		<hr/>	<hr/>
Operating profit		194,836	345,286
Profit on the sale of investment property		-	634,832
		<hr/>	<hr/>
Profit for the year		194,836	980,118
		<hr/>	<hr/>
Transfer to Limited Partners:			
Partners' Funds		194,836	980,118
		<hr/>	<hr/>

Statement of total recognised gains and losses
For the year ended 31 December 2014

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Profit for the year	194,836	980,118
Unrealised gain/(loss) on revaluation of properties	305,000	(445,769)
	<hr/>	<hr/>
Total recognised gains and losses	499,836	534,349
	<hr/>	<hr/>

All amounts are in respect of continuing operations.

The notes on pages 10 to 14 form part of these accounts.

Alliance Trust Real Estate Partners (LP)
Balance Sheet
As at 31 December 2014

	Notes	31 December 2014 £	31 December 2013 £
Fixed asset investment properties	4	4,830,000	4,525,000
Current assets			
Debtors	5	37,421	138,693
Cash at bank		134,603	5,009,039
		172,024	5,147,732
Creditors: amounts falling due in less than one year	6	(87,466)	(144,475)
Net current assets		84,558	5,003,257
Net assets		4,914,558	9,528,257
Limited Partners' accounts			
Capital contribution accounts	7	108	108
Loan	7	4,609,450	9,528,149
Revaluation reserve	7	305,000	-
Partners' funds	7	4,914,558	9,528,257

The notes on pages 10 to 14 form part of these accounts.

The financial statements of Alliance Trust Real Estate Partners (LP) (Registration No: SL005576) on pages 6 to 14 were approved by the Board on 3 September 2015 and were signed on its behalf by:



Katherine Garrett-Cox



Alan Trotter

Directors of Alliance Trust Real Estate Partners (GP) Limited as General Partner of Alliance Trust Real Estate Partners (LP).

Alliance Trust Real Estate Partners (LP)
Reconciliation of Movement in Partners' Funds
Year ended 31 December 2014

	Notes	31 December 2014 £	31 December 2013 £
Partners' funds at 1 January		9,528,257	9,134,211
Operating profit for the year – before investment losses		194,836	345,286
Realised loss on sale of investment property		-	634,832
Profits withdrawn by Limited Partners		(5,113,535)	(140,303)
Surplus/(Deficit) on revaluation of properties		305,000	(445,769)
Partners' funds at 31 December		<u>4,914,558</u>	<u>9,528,257</u>

The notes on pages 10 to 14 form part of these accounts.

Alliance Trust Real Estate Partners (LP)
Cash Flow Statement
As at 31 December 2014

	Notes	31 December 2014 £	31 December 2013 £
Net cash from operating activities	8	239,098	210,161
Returns on investment and servicing of finance			
Capital expenditure and financial investment	9	-	4,784,063
Cash inflow before financing		239,098	4,994,224
Financing	9	(5,113,534)	(140,303)
(Decrease)/Increase in cash		(4,874,436)	4,853,921
Reconciliation of net cash flow movement in net funds for the year ended 31 December 2014			
(Decrease)/Increase in cash in the year		(4,874,436)	4,853,921
Movement in net funds in the year		(4,874,436)	4,853,921
Net funds at January		5,009,039	155,118
Net funds at December		134,603	5,009,039

Alliance Trust Real Estate Partners (LP)
Notes to the Financial Statements
Year ended 31 December 2014

1. PARTNERSHIP AGREEMENT

Alliance Trust Real Estate Partners was registered as a limited partnership in Scotland under the Limited Partnerships Act 1907 on 29 October 2005. The General Partner is Alliance Trust Real Estate Partners (GP) Limited. The Founder Partners were Alliance Trust PLC and The Second Alliance Trust PLC, which merged on 21 June 2006, therefore the Limited Partner is now Alliance Trust PLC. The operation of the Partnership is governed by the Partnership Agreement dated 27 October 2005.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and the preceding year.

Basis of preparation of accounts

The accounts have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008 in accordance with applicable UK accounting standards, with the Partnership Agreement and on a going concern basis, as detailed in the General Partner's Report, on the historical cost basis modified for the revaluation of investment properties.

Valuation of investment properties

Investment properties have been valued at open market value by an independent valuer, DTZ, in accordance with the appropriate sections of the RICS Appraisal and Valuation Standards.

Unrealised gains and losses are taken to the revaluation reserve except where losses are considered to be permanent in which case the loss in excess of any gains previously recognised in the revaluation reserve is taken to the profit and loss account.

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve, except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account of the period. No depreciation is provided in respect of investment properties.

The Companies Act requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Income and expenses

All income and expenses are accounted for on an accruals basis. Rental income received in advance is deferred and credited to the Profit and Loss account on a daily basis over the rental period.

The costs of lease incentives are recognised as a reduction in rental income and are allocated over the lease term on a straight line basis.

Service charges, receivable from tenants in relation to expenses originally incurred by the Partnership, are recorded as both income and expenses in the profit and loss account.

Alliance Trust Real Estate Partners (LP)
Notes to the Financial Statements
Year ended 31 December 2014

2. ACCOUNTING POLICIES (continued)

Taxation

As a partnership, taxable income and chargeable gains and losses are passed through to the individual partners. Accordingly, no provision for taxation is made in these accounts.

3. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Profit is stated after charging:		
Remuneration of the auditor for audit services	4,950	4,800

No non-audit fees (2013: £Nil) were payable to the auditor, Deloitte LLP, in respect of services provided to the Partnership.

The audit expenses incurred by the General Partner of £1,150 (2013: £1,100) are paid by the Partnership and are included above.

4. FIXED ASSET INVESTMENT PROPERTIES

	31 December 2014 £	31 December 2013 £
Valuation at 1 January 2014	4,525,000	9,120,000
Disposals	-	(4,305,168)
Revaluation	305,000	(445,769)
(Reductions)/Additions in the year	-	155,937
Valuation at 31 December 2014	4,830,000	4,525,000

DTZ valued the property as at 31 December 2014 on an open market value basis in accordance with the RICS Appraisal and Valuation Standards.

Alliance Trust Real Estate Partners (LP)
Notes to the Financial Statements
Year ended 31 December 2014

5. DEBTORS

	31 December 2014 £	31 December 2013 £
Due from partners	100	100
Sundry debtors	17,452	112,826
VAT receivable	14,700	25,767
Prepayments	5,169	-
	<hr/>	<hr/>
	37,421	138,693
	<hr/>	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	31 December 2014 £	31 December 2013 £
Deferred income	59,545	28,425
Intercompany creditor	-	100,000
Accruals	7,250	4,800
VAT payable	20,671	-
Sundry creditors	-	11,250
	<hr/>	<hr/>
	87,466	144,475
	<hr/>	<hr/>

Alliance Trust Real Estate Partners (LP)
Notes to the Financial Statements
Year ended 31 December 2014

7. PARTNERS' FUNDS

	Capital contribution account	Loan account	Revaluation reserve	Total
	£	£	£	£
As at 1 January 2014	108	9,528,149	-	9,528,257
Operating profit allocated to partners	-	194,836	-	194,836
Unrealised gain on revaluation of properties	-	-	305,000	305,000
Profits withdrawn by Limited Partners	-	(5,113,535)	-	(5,113,535)
As at 31 December 2014	108	4,609,450	305,000	4,914,558

Capital Contributions analysed as follows:

	31 December 2014 £	31 December 2013 £
General Partner – Alliance Trust Real Estate Partners (GP)	100	100
Limited Partner – Alliance Trust PLC	8	8
	108	108

The loan account and revaluation reserve are wholly attributable to the Limited Partner.

8. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 December 2014 £	31 December 2013 £
Operating profit	194,836	345,286
(Increase)/decrease in debtors	101,271	(68,541)
Increase/(decrease) in creditors	(57,009)	(66,584)
Net cash inflow from operating activities	239,098	210,161

Alliance Trust Real Estate Partners (LP)
Notes to the Financial Statements
Year ended 31 December 2014

9. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

Capital Expenditure and financial investments

	31 December 2014 £	31 December 2013 £
Purchase of investment property	-	(155,937)
Proceeds of sale of investment property	-	4,940,000
	<hr/>	<hr/>
Net cash inflow from capital expenditure and financial investment	-	4,784,063
	<hr/>	<hr/>

Financing

	31 December 2014 £	31 December 2013 £
Return of Capital	(4,940,000)	-
Profits withdrawn by limited partner	(173,534)	(140,303)
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(5,113,534)	(140,303)
	<hr/>	<hr/>

10. RELATED PARTY TRANSACTIONS

As the General Partner is a wholly owned subsidiary of Alliance Trust PLC the Company is exempt from the requirements of FRS 8 to disclose transactions with other wholly owned members of the Alliance Trust PLC Group.

11. IMMEDIATE AND ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is Alliance Trust PLC incorporated in Scotland, whose Report and Accounts, may be obtained from its registered office at 8 West Marketgait, Dundee, DD1 1QN.