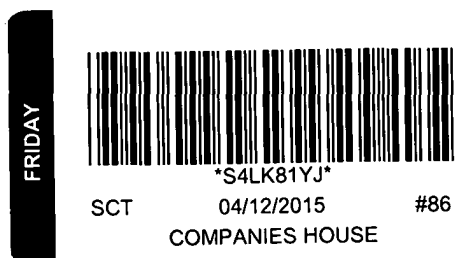


Nicolson Street (General Partner) Limited

Dormant Account

For the year ended 30 April 2015



Nicolson Street (General Partner) Limited

Balance Sheet as at 30 April 2015

	2015 £	2014 £
Current assets		
Called up share capital not paid	<u>1</u>	<u>1</u>
Total assets less current liabilities	<u>1</u>	<u>1</u>
Capital and reserves		
Issued share capital	<u>1</u>	<u>1</u>
Shareholder's funds	<u>1</u>	<u>1</u>

Audit exemption statement

For the financial year ended 30 April 2015, the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board for issue on 30 November 2015



.....
Andrew Speedie
Director

Company Registration No. SC376941

**Nicolson Street (Edinburgh) Limited
Partnership**

Report and Audited Financial Statements
Year ended 31 March 2015

Registered number: SL007918

Nicolson Street

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General Partner and Service Providers

General Partner

Nicolson Street (General Partner) Limited
Third Floor, George House
50 George Square
Glasgow
G2 1EH

Operator

Magarch Limited
1 Atlantic Quay
1 Robertson Street
Glasgow G2 8JB

Property Manager

Savills Commercial Limited
20 Grosvenor Hill
Berkeley Square
London
W1K 3HQ

Independent Auditors

Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

Bankers

Alliance & Leicester Commercial Bank
Customer Service Centre
Bootle
Merseyside
GIR 0AA

Santander UK plc
Corporate Charging
Bootle
Merseyside
GIR 0AA

Limited Partners

Royal Bank of Canada Trust Corporation Limited
Riverbank House
2 Swan Lane
London
EC4R 3BF

Fund Manager

Keills Limited
1 Atlantic Quay
1 Robertson Street
Glasgow G2 8JB

Independent Valuers

DTZ
1 Edinburgh Quay
Edinburgh
EH3 9QG

Legal Advisors (UK)

Anderson Strathern LLP
Third Floor, George House
50 George Square
Glasgow
G2 1EH

Asset Manager

SKAR Properties Limited
Third Floor, George House
50 George Square
Glasgow
G2 1EH

General Partner's Report

The General Partner presents its report and audited financial statements for the year ended 31 March 2015.

Principal Activities

Nicolson Street (Edinburgh) Limited Partnership (the Fund) was registered in Scotland as a limited partnership on 24 May 2010 under the Limited Partnership Act 1907. The principal activity of the Fund is that of property investment, and in particular an investment in 52-58 Nicolson Street, Edinburgh.

The Fund invested in 52-58 Nicolson Street, Edinburgh on 31 August 2010 a property let to the University of Edinburgh on a lease to 31 August 2030 at an annual rent of £540,000 with rents linked to the retail price index. The University of Edinburgh has an option to purchase the Fund's interest in the property on the 10th, 15th and 20th anniversary of the lease. The property was sold on 16 December 2014 for £11,750,000.

Results

The results for the year are set out in the Income and Expenditure account on page 6.

Partners' Contributions

The Partners' contributions totalled:

	As at 31 March 2015 £
General Partner capital account	1
Limited Partner Keills Property Trust capital account	99
Limited Partner Keills Property Trust loan account	4,763,586
	<hr/> 4,763,686

Rights and Entitlement of Partners

The surpluses/(losses) of the Fund were charged to the Partners' accounts as follows:

	As at 31 March 2015 £
Royal Bank of Canada Trust Corporation as trustee of Keills Property Trust	3,190,684
	<hr/> 3,190,684

Approved by the Board of Directors of the General Partner on 30 June 2015 and signed on its behalf by:



A Speedie
Director
Nicolson Street (General Partner) Limited

Statement of General Partner's Responsibilities

The General Partner is required to prepare financial statements for each financial period in accordance with the Limited Partnership Agreement, and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), which give a true and fair view of the state of affairs of the Fund as at the end of the financial period and of the profit or loss for that period. In preparing these financial statements the General Partner is required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable 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 not appropriate to presume that the Fund will continue in business

The General Partner confirms that the financial statements comply with the above requirements.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements give a true and fair view. The General Partner is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

In the case of each of the persons who are directors of the General Partner at the time when this report was approved, the following applies:

So far as each Director is aware, there is no relevant audit information of which the Fund's auditors are unaware. Each of the directors have taken all of the steps that ought to have been taken as Director of the General Partner in order to make himself aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

The General Partner is required to act in the best interests of the Fund and perform its obligations under the Limited Partnership Agreement dated 24 May 2010. Other duties of the General Partner are detailed in clause 7 of the Limited Partnership Agreement.

Signed on behalf of Nicolson Street (Edinburgh) Limited Partnership:



A Speedie
Director
Nicolson Street (General Partner) Limited

30 June 2015

Independent Auditor's Report to the Partners of Nicolson Street (Edinburgh) Limited Partnership

We have audited the financial statements of Nicolson Street (Edinburgh) Limited Partnership for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Statement of Net Assets, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Partners, as a body, in accordance with the Limited Partnership Agreement. Our audit work has been undertaken so that we might state to the Partners those matters we are required to state to them in an auditors' 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 Partners, as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of the General Partner and Auditors

The General Partner's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and being satisfied that they give a true and fair view are set out in the Statement of General Partner's Responsibilities.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

Scope of the Audit of the Financial Statements

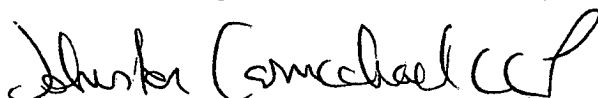
We read the General Partner's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.


Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the limited partnership's affairs as at 31 March 2015 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the provisions of the Limited Partnership Agreement; and
- the information given in the General Partner's Report is consistent with the financial statements.



Johnston Carmichael LLP
Chartered Accountants and Registered Auditor
227 West George Street
Glasgow G2 2ND

 2015

Nicolson Street

Income and Expenditure Account

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Rental income from investment property		427,814	598,259
Income		427,814	598,259
Administration fees	2	(154,732)	(111,549)
Operating costs		(154,732)	(111,549)
Net operating income before interest and finance costs		273,082	486,710
Interest receivable		8,928	222
Finance Costs			
Interest payable		(118,534)	(168,644)
Net operating surplus	7	163,476	318,288

Statement of Total Recognised Gains and Losses

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Surplus for the period	7	163,476	318,288
Unrealised gain on revaluation of investment properties	9	375,000	1,315,000
Total recognised gains in the period		538,476	1,633,288

Note of Historical Cost Profits and Losses

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Reported net operating surplus	163,476	318,288
Realisation of property revaluation gains	3,027,208	-
Historical cost net operating surplus	3,190,684	318,288

The accompanying notes, on pages 9 to 16, form an integral part of these financial statements.

Statement of Net Assets

As at 31 March 2015

		As at 31 March 2015	As at 31 March 2014
	Notes	£	£
Non current assets			
Investment properties	3	-	11,375,000
Current assets			
Cash at bank and in hand		4,766,734	328,953
		<u>4,766,734</u>	<u>328,953</u>
TOTAL ASSETS		<u>4,766,734</u>	<u>11,703,953</u>
Liabilities			
Creditors: amounts falling due within one year	5	3,048	109,883
Creditors: amounts falling due after more than one year	6	-	4,100,000
		<u>3,048</u>	<u>4,209,883</u>
TOTAL LIABILITIES		<u>3,048</u>	<u>4,209,883</u>
Net assets attributable to partners		<u>4,763,686</u>	<u>7,494,070</u>
Represented by			
Loans and other debts due to partners			
Partners' loan accounts	8	4,763,586	4,841,762
Equity			
Partners' capital accounts	8	100	100
Other sources			
Revaluation reserve	9	-	2,652,208
		<u>4,763,686</u>	<u>7,494,070</u>

The accompanying notes, on pages 9 to 16, form an integral part of these financial statements.

Approved by the Board of Directors of the General Partner on 30 June 2015 and signed on its behalf by:



A Speedie
Director
Nicolson Street (General Partner) Limited

Nicolson Street

Cash Flow Statement

Year ended 31 March 2015

		Year ended 31 March 2015 £	Year ended 31 March 2014 £
Net cash inflow from operating activities	10	166,247	455,163
Returns on investments and servicing of finance			
Interest received		8,928	222
Interest paid		(118,534)	(168,644)
Net cash outflow from returns on investments and servicing of finance		(109,606)	(168,422)
Capital expenditure and financial investment			
Sale of commercial property		11,750,000	-
		11,750,000	-
Net cash inflow before financing		11,806,641	286,741
Financing			
Loans repaid		(4,100,000)	-
Distributions made to Partners		(3,268,860)	(180,000)
Net cash outflow from financing		(7,368,860)	(180,000)
Increase/(Decrease) in cash during the period	11	4,437,781	106,741

The accompanying notes, on pages 9 to 16, form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 March 2015

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared on the historical cost basis as modified for the revaluation of investment properties and in accordance with the Limited Partnership Agreement and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In accordance with Financial Reporting Standard (FRS) 18 "Accounting Policies", the Fund's accounting policies are reviewed each accounting period to confirm that they remain appropriate and are in accordance with United Kingdom accounting standards and the Limited Partnership Agreement.

The Fund has adopted the requirements of FRS 25 "Financial Instruments: Disclosure". FRS 25 requires Partners' accounts which the Fund is obliged to repay in certain circumstances shall be treated as Loans and Other Debts Due to Partners.

The Fund has not adopted the requirements of FRS 26 "Financial Instruments: Measurement" or FRS 29 "Financial Instruments: Disclosure". As a Limited Partnership the Fund is outside the scope of the fair value measurement rules incorporated in the Companies Act 2006 and consequently is not required to apply these standards.

The financial statements have been prepared on a going concern basis.

The principal accounting policies adopted in these financial statements are applied consistently throughout the year.

b) Recognition of Income

Rental income is accounted for on an accruals basis. Rental income received in respect of operating leases excludes charges for services such as insurance and maintenance. Benefits to lessees in the form of rent free periods are treated as a reduction in overall return of the leases and in accordance with UITF 28 'Operating Lease Incentives', are recognised on a straight line basis over the shorter of the lease term or the period up to the initial rent review date. Other income is recognised on the accruals basis.

c) Expenses

Expenses are accounted for on an accruals basis.

All property operational expenses are included in property costs in the Income and Expenditure Account.

d) Provision for Bad Debts

The potential non-recovery of tenant debts and any arrears greater than one year old are provided for by way of a bad debt provision.

e) Service Charges

Service charges are recharged to the tenant while the property is occupied unless specified in the lease agreement. In accordance with FRS 5 'Reporting the Substance of Transactions (Application Note G)', these service charges have been included within income and expenses in the Income and Expenditure Account. Any charges arising while the property is unoccupied are invoiced to and paid by the Fund and included in property costs in the Income and Expenditure Account.

f) Distribution Policy

It is the policy of the Fund to distribute all profits to the Partners on a discretionary basis, in accordance with the Limited Partnership Agreement.

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

g) Valuation of Investments

Property Investments are included in the balance sheet at Market Value as defined in the Appraisal and Valuation Standards Manual issued by the Royal Institution of Chartered Surveyors of the United Kingdom. Property investments were last valued on 31 March 2015 by DTZ, independent Chartered Surveyors. The valuations were carried out in compliance with the Practice Statements contained within the Appraisal and Valuation Standards Manual.

The Fund's policy is to value investment properties annually. On acquisition, costs directly attributable to the acquisition of a property, such as tax and professional fees are capitalised. Unrealised surpluses, less temporary unrealised deficits on valuation of property fixed assets are credited to the revaluation reserve. On realisation, any gain or loss is calculated by reference to the carrying value at the last financial period end balance sheet date and is included in the Income and Expenditure account. Any balance in the revaluation reserve is transferred to the Partners' accounts.

h) Depreciation

In accordance with SSAP 19 'Accounting for Investment Properties', no provision for depreciation has been made in respect of freehold investment properties or leasehold investment properties which have unexpired lease terms in excess of 20 years.

i) Taxation

The Limited Partnership is not itself subject to taxation. Any partner liable to taxation on its participation in the Limited Partnership is responsible for settling the liabilities independently of the Limited Partnership.

j) Interest Receivable

Interest receivable is accounted for on an accruals basis.

k) Finance Costs

Finance costs comprise interest payable, and are accounted for on an accruals basis.

l) Investment Loans

Investment loans are recognised at cost.

m) Interest on Partners' Capital Accounts

No interest is payable in respect of Partners' contributions.

n) Deferred Expenditure

Amounts relating to future periods that have been paid prior to the period end are recognised as a debtor in the accounts.

o) Deferred Income

Rental income is due to be paid one quarter in advance and therefore the portion of this rent that does not relate to the current period is recognised as a creditor in the accounts.

p) Derivative Financial Instruments

The Fund uses Derivative Financial Instruments to effectively manage its risk associated with interest rate fluctuations. It is not the Fund's policy to trade in derivative instruments.

q) Provisions for Liabilities and Charges

Provisions are recognised when the Fund has a present obligation as a result of a past event and it is probable that the obligation will require settlement and the amount of the obligation can be reliably estimated.

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

2. Administration Fees

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Audit fee	1,762	2,250
Management fees	60,210	92,626
Operator and other fees	24,186	16,673
Disposal and break costs	68,574	-
	<u>154,732</u>	<u>111,549</u>

The audit fee for the year ended 31 March 2015 was £1,762 (2014: £2,250).

A Property Management fee was payable to Keills Limited, a related party at the time of the payment. The total fee payable by the Fund for the year ended 31 March 2015 is £60,210 (2014: £92,626).

Operator and other fees include tax services provided by the auditors of £450 (2014: £1,615).

3. Investment Properties

	Direct Feuhold Property £	Total Investment Property £
At 31 March 2014	11,375,000	11,375,000
Revaluation	375,000	375,000
Disposal in the year ended 31 March 2015	(11,750,000)	(11,750,000)
At 31 March 2015	<u>-</u>	<u>-</u>

4. Debtors

	As at 31 March 2015 £	As at 31 March 2014 £
Other debtors	-	-
	<u>-</u>	<u>-</u>

The above amounts fall due for payment within one year.

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

5. Creditors: amounts falling due within one year

	As at 31 March 2015	As at 31 March 2014
	£	£
Trade creditors	-	-
Other creditors	-	92,468
Accruals and deferred income	3,048	17,415
	<u>3,048</u>	<u>109,883</u>

6. Creditors: amounts falling due after more than one year

	As at 31 March 2015	As at 31 March 2014
	£	£
Investment loan fixed rate	-	4,100,000

The loan was redeemed on 16 December 2014 following the sale of the investment property at Nicolson Street, Edinburgh, incurring break costs totalling £48,898.92.

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

7. Net Assets Attributable to Partners

	General Partner £	Limited Partner £	Total £
As at 31 March 2014	1	4,841,861	4,841,862
Loans advanced	-	-	-
Distributions made	-	(3,268,860)	(3,268,860)
Net operating surplus	-	163,476	163,476
Net sale proceeds	-	3,027,208	3,027,208
Partners' funds as at 31 March 2014	<u>1</u>	<u>4,763,685</u>	<u>4,763,686</u>

No interest is payable in respect of capital contributions from Partners

8. Partners' Accounts

	As at 31 March 2015 £	As at 31 March 2014 £
Partners' Capital accounts	100	100
Partners' loan accounts	4,763,586	4,841,762
Partners' funds	<u>4,763,686</u>	<u>4,841,862</u>

9. Revaluation Reserve

	£
At 31 March 2014	2,652,208
Investment properties revaluation during period	375,000
Net sale proceeds	<u>(3,027,208)</u>
At 31 March 2015	<u>-</u>

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

10. Reconciliation of Operating Income before Interest and Finance Costs to Net Cash Inflow from Operating Activities

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Net operating income before interest and finance costs	273,082	486,710
Decrease in debtors	-	208
Decrease in creditors	(106,835)	(31,755)
Net cash inflow from operating activities	166,247	455,163

11 Analysis of Net (Debt)/Funds

	31 March 2014 £	Cash flow £	31 March 2015 £
Net Cash			
Cash at bank and in hand	328,953	4,437,781	4,766,734
Debt			
Debts falling due after one year	(4,100,000)	4,100,000	-
	(4,100,000)	4,100,000	-
Net (debt)/funds	(3,771,047)	8,537,781	4,766,734

12 Reconciliation of net cashflow to movement in debt

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Increase in cash in period	4,437,781	106,741
Cash outflow from reduction in debt	4,100,000	-
Movement in net debt in the period	8,537,781	106,741
Opening net debt	(3,771,047)	(3,877,788)
Closing net funds/(debt)	4,766,734	(3,771,047)

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

13. Related Party Transactions

Nicolson Street (General Partner) Limited, the General Partner of the Fund, is a related party by virtue of its control over the operating and financial policies of the Fund. Nicolson Street (General Partner) Limited held £1 of the Fund's net assets at 31 March 2015.

A J Howie is a Director of Keills Limited the Fund Manager and a Director of Nicolson Street (General Partner) Limited, the General Partner, and is a related party by virtue of his influence over the operating and financial policies of the fund.

A F Speedie is a Director of Keills Limited the Fund Manager and a Director of Nicolson Street (General Partner) Limited, the General Partner, and is a related party by virtue of his influence over the operating and financial policies of the fund.

Magarch Limited as Operator was a related party throughout the year and charged a fee of £1,250 (2014 £1,200).

Keills Limited, as Fund Manager, was a related party throughout the period. A fund manager's fee of 1% of the market value of the properties within the fund is payable quarterly in arrears based on the latest quarterly valuation. This fee was discounted under an overriding agreement with Keills Property Trust, the limited partner, where fees would be 0.25% of market value, subject to a minimum overall fee of £250,000 pa. The fee of £60,210 (2014: £92,626) represents a pro-rata allocation of the minimum fee.

An asset manager's fee of £3,187.50 (2014: £5,000) was charged by Keills for the management of the property.

There were no other material transactions by the Partnership with related parties for the year ended 31 March 2015.

14. Ultimate Controlling Party

Nicolson Street (General Partner) Limited, as the General Partner of Nicolson Street (Edinburgh) Limited Partnership, represents the ultimate controlling party.

15. Financial Instruments and Financial Risk Management

The Fund's financial instruments comprise loans, cash, receivables and payables that arise directly from its operations. The main risks arising from the Fund's financial instruments are market risk, credit risk and liquidity risk. The Directors of the General Partner review and agree policies for managing risk exposure. These policies are described below and have remained unchanged for the year under review.

Market risk - The Fund is exposed to property market risks. These risks include adverse investment and occupier markets which could cause the value of the investment properties or rental income streams to reduce. These factors are beyond the Fund's control. However the Fund can manage the risk by diversifying the investment by sector, by valuing its investments on a quarterly basis to ensure the investments hold their value, by the management of leasing terms, and by the number of tenancies. The Fund's investments comprise UK commercial property. Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date.

Notes to the Financial Statements (cont.)

Year ended 31 March 2015

Credit risk - Credit risk is the risk that an issuer or counter party will be unable or unwilling to meet a commitment that it has entered into with the Fund. In the event of default by an occupational tenant, the Fund will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and marketing the property until it is re-let. The maximum credit risk from the rent receivables of the Fund at 31 March 2015 is £nil (2014 £603,237). With respect to credit risk arising from other financial assets of the Fund, which comprise cash and cash equivalents, the Fund's exposure to credit risk arises from default of the counter party with a maximum exposure equal to the carrying value of the instruments.

Liquidity risk - Liquidity risk is the risk that the Fund will encounter in realising assets, paying redemptions or otherwise raising funds to meet financial commitments. This risk is managed by regular cash flow reviews to ensure sufficient funds are available to cover expenses.

Inflation risk - The Fund is exposed to price inflation on expenditure commitments. The risk is mitigated by regular rental reviews to ensure that rental income increases.