

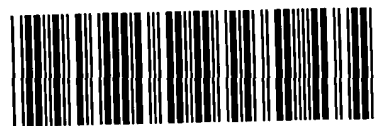
PREV (FR) LLP

**Members' Report and Financial
Statements**

Registered number OC388502

For the year ended 31 March 2018

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Members' Report

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

The Partnership was established on 15 October 2013 and registered as a limited liability partnership in England and Wales under the Limited Liability Partnerships Act 2000.

Principal activities

The principal activity of PREV (FR) LLP is that of investing in real estate debt and real estate via its subsidiaries, at Finzels Reach, Bristol.

It acquired 100% of debt which was secured on the Finzels Reach mixed use development in 2013. PREV (FR) LLP operates in the United Kingdom only. All results derive from continuing activities.

Business Overview

PREV (FR) LLP has made a number of loans to: Finzels Square Limited; Bridgewater Plaza Limited and Counterslip Limited.

Finzels Reach Freehold LLP, a 100% subsidiary of PREV (FR) LLP, owns the freehold title for the whole site and Finzels Reach Property LLP, also a 100% subsidiary, holds the long leasehold interests at the property. Finzels Reach Property LLP disposed of a plot of land known as George's Wharf and Hawkins Lane for around £17m.

During the year 37 residential units at the Cask Store, Finzels Reach, were sold for a cumulative headline price of £12.7m. Excess cash of £6m was paid to PREV (FR) LLP.

The intention is, through capital investment and an active asset management based strategy, for the partnership to exit and realise its profits within two to three years.

Distributions

The Partnership has repaid total of £nil (2017: £34 million) of members' loans and a distribution of £ 10 million (2017: £11 million) has been made during the year.

Members

The Partnership is a limited liability partnership incorporated in the UK as a joint venture between PREV (Bristol) LLP and Bristol Real Estate Company Limited holding 50% each in the Partnership.

Employees

The Partnership has no employees.

Political contributions

Neither the Partnership nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each member has taken all the steps that it ought to have taken as a member to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed as the auditor and KPMG LLP will therefore continue in office.

By order of the members



A D W Price
On behalf of PREV (Bristol) LLP
Member
Time & Life Building
1 Bruton Street
London W1J 6TL
27 July 2018

PREV (FR) LLP
Members' report and financial statements
For the year ended 31 March 2018

Statement of members' responsibilities in respect of the members' report and the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of PREV (FR) LLP

Opinion

We have audited the financial statements of PREV (FR) LLP ("the LLP") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required 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.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

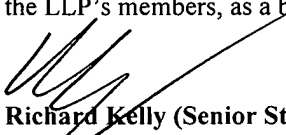
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

27 July 2018

Statement of Comprehensive Income
For the period year ended 31 March 2018

	Note	2018 £	2017 £
Other income		-	3,708,035
Interest income on amortisation of loans receivable	5	-	-
Write off loans receivable	5	-	(15,388,610)
Realised gain on disposal of loans receivable	5	115,449	15,781,143
Unrealised gain/(loss) on revaluation of investment in subsidiaries	4	1,778,732	(685,498)
Administrative expenses	2	(15,870)	(30,160)
Operating expenses		(339,584)	(2,862)
Operating profit		1,538,727	3,382,048
Net finance income		340	9,990
Operating profit after finance income		1,539,067	3,392,038
Profit for the year		1,539,067	3,392,038
Other comprehensive income		-	-
Total comprehensive income for the year		1,539,067	3,392,038

All amounts relate to continuing operations.

There were no recognised gains or losses for the financial year ended 31 March 2018 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 16 form part of these financial statements

Statement of Comprehensive Income
For the period year ended 31 March 2018

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		<hr/>	<hr/>
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		<hr/>	<hr/>
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		<hr/> <hr/>	<hr/> <hr/>

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Statements of Financial Position
At 31 March 2018

	Note	2018 £	2017 £
Non-current assets			
Loans receivable	5	-	1,084,579
Investments	4	8,109,404	6,330,672
		<u>8,109,404</u>	<u>7,415,251</u>
Current assets			
Trade and other receivables	6	3,413,187	8,588,698
Cash and cash equivalents	7	550,620	4,526,565
		<u>3,963,807</u>	<u>13,115,263</u>
Total assets		<u>12,073,211</u>	<u>20,530,514</u>
Current liabilities			
Trade and other payables	8	(42,382)	(38,752)
		<u>(42,382)</u>	<u>(38,752)</u>
Total liabilities		<u>(42,382)</u>	<u>(38,752)</u>
Net assets attributable to members		<u>12,030,829</u>	<u>20,491,762</u>
Members' capital	9	2	2
Members loans		12,030,827	20,491,760
		<u>12,030,829</u>	<u>20,491,762</u>
Total equity		<u>12,030,829</u>	<u>20,491,762</u>

These financial statements were approved by the members on 27 July 2018 and were signed on their behalf by:

The notes on pages 12 to 16 form part of these financial statements


ADW Price
Member

Company registered number: OC388502

Statement of Changes in Equity

	Members' capital £	Members' current account £	Total members' equity £
Balance at 1 April 2016	2	62,099,722	62,099,724
Repayment of Members' loans	-	(45,000,000)	(45,000,000)
Total comprehensive income for the year	-	3,392,038	3,392,038
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	2	20,491,760	20,491,762
	<hr/>	<hr/>	<hr/>

	Members' capital £	Members' current account £	Total members' equity £
Balance at 1 April 2017	2	20,491,760	20,491,762
Distributions to Members'	-	(10,000,000)	(10,000,000)
Total comprehensive income for the year	-	1,539,067	1,539,067
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	2	12,030,827	12,030,829
	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 16 form part of these financial statements

Cash Flow Statement

For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Operating profit after finance income for the year		1,539,067	3,392,038
<i>Adjustment for:</i>			
Interest income on amortisation of loans receivable	5	-	-
Write off loans receivable		-	15,388,610
Realised gain of disposal of secured assets		(115,449)	(16,721,689)
Unrealised loss/ (gain) on revaluation in current year		(1,778,732)	685,498
Decrease/(Increase) in trade and other receivables	6	5,175,511	(2,478,138)
Increase/ (Decrease) in trade and other payables	8	3,630	(3,418,748)
		<hr/>	<hr/>
Net cash from operating activities		4,824,027	(3,152,429)
		<hr/>	<hr/>
Cash flows from investing activities			
Net repayment of loans receivable	5	-	-
Sale of Secure debt assets		1,200,028	50,718,600
		<hr/>	<hr/>
Net cash from investing activities		1,200,028	50,718,600
		<hr/>	<hr/>
Cash flows from financing activities			
Distributions to members ¹	9	(10,000,000)	(45,000,000)
		<hr/>	<hr/>
Net cash from financing activities		(10,000,000)	(45,000,000)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(3,975,945)	2,566,171
Cash and cash equivalents at the beginning of the year		4,526,565	1,960,394
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	7	550,620	4,526,565
		<hr/>	<hr/>

The notes on pages 12 to 16 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

PREV (FR) LLP (the "Partnership") is a Limited Liability Partnership incorporated in the UK under the Limited Liability Partnerships Act 2000.

The Partnership's financial statements have been prepared and approved by the members in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Basis of preparation

The financial statements are presented in Sterling. They are prepared on the historical cost basis modified by the revaluation of investments.

The financial statements continue to be prepared on a going concern basis which the Members believe to be appropriate as the Partnership is in a net asset position and has sufficient cash to meet its liabilities as they fall due for payment for at least 12 months from the date of approval of these financial statements.

1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in loans receivable

Investments in loans receivable are stated at amortised cost using effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Partnership's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Members' capital and loans

Each partner admitted to the partnership shall contribute the agreed members capital and loan on the date of its admission to the Partnership. Members' capital and loan are stated at their nominal value.

1.3 Taxation

Members are personally liable for taxation on their share of the partnership profits. Therefore, no reserve for taxation is made in these financial statements.

1.4 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 15 Revenue from Contract with Customers (effective date 1 January 2018).
- IFRS 9 Financial Instruments (effective date 1 January 2018).
- IFRS 16 Leases (effective date 1 January 2019).

Notes (continued)

2 Auditor's remuneration

Included in the profit for the year are the following:

	2018 £	2017 £
Audit of these financial statements and accounts preparation fee	12,750	7,600

3 Staff numbers and costs

The Partnership has no employees other than the members, who did not receive any remuneration during the year (2017: £nil).

4 Investments

The Partnership has the following investments in investment entities:

	Status	2018	Ownership 2017
Finzels Reach Property LLP	Trading	99.99%	99.99%
Finzels Reach Freehold LLP	Trading	99.99%	99.99%
PREV (Bristol Agent) LLP	Dormant	99.99%	99.99%
Finzels Reach Limited	Dormant	100%	100%

All entities have been registered at the address - Time & Life Building, 1 Bruton Street, London W1J 6TL.

These investment entities are not deemed to be controlled by the Partnership and therefore an exemption has been taken to produce consolidated financial statements.

	2018 £	2017 £
Net assets/ (liabilities) of subsidiaries	6,330,672	7,016,170
Increase/ (Decrease) for fair value in subsidiaries	1,778,732	(685,498)
Balance at 31 March 2018	8,109,404	6,330,672

Notes (continued)

5 Loans receivable

	2018 £	2017 £
Loans receivable purchased	-	1,084,579

The secured loans represented loans acquired from HSH Nordbank AG and Deutsche Postbank AG. These loans are secured on the Finzels Reach buildings and development land as defined in the loan agreements with these financial institutions. The Partnership has executed the security on the development land which has been contributed into Finzels Reach Property LLP. During the year, the Partnership received an amount of £1,200,028 repayment arising from the sale of the ground rents of Castle Wharf and Malthouse, the underlying property. This sale realised a gain of £115,449 on the original amortised value of £1,084,579 recognised during the year.

The loans are fully provided for and therefore, the remaining balance as at yearend is £nil (2017: £1,084,579).

The loans to related parties represent monies transferred to Bridgewater Plaza Limited and Finzels Square Limited. These entities hold long leasehold titles in the properties in receivership, being Bridgewater House, Castle Wharf and Malt House. These loans will be used by Savills, the receiver, to cover the running costs of these properties.

6 Trade and other receivables

	2018 £	2017 £
Due from FR Property LLP	3,412,656	8,422,079
Other Receivables	531	166,619
Total	3,413,187	8,588,698

7 Cash and cash equivalents

	2018 £	2017 £
Bank balances	550,620	4,526,565

Note: Included within the cash and cash equivalents balance is £100,000 (2017: £100,000) of tenant deposits which has been included for the purpose of the cash flow statement. However, the use of this cash by the entity is restricted as at year end.

8 Trade and other payables

	2018 £	2017 £
Amounts due to FR Property LLP	(23,885)	(23,885)
Other trade payables	(347)	(347)
Accruals	(18,150)	(14,520)
Total	(42,382)	(38,752)

Notes (continued)

9 Capital and reserves

The Partnership is financed by individual members' capital and non-interest bearing loans.

Movement in individual members' capital

	£
Balance at 1 April 2016	2
Capital repayments	-
	<hr/>
Balance at 31 March 2017	2
	<hr/>
	£
Balance at 1 April 2017	2
Capital repayments	-
	<hr/>
Balance at 31 March 2018	2
	<hr/>

10 Financial instruments

Financial instruments held by the Partnership arise directly from its operations. Members' capital and amounts due to and from members also fall to be treated as financial instruments. The main purpose of these financial instruments is to finance the operations of the Partnership.

The Partnership has exposure to credit risk and liquidity risk arising from its use of financial instruments. This note presents information about the exposure of the Partnership to each of the above risks and the objectives, policies and processes for measuring and managing risk.

10(a) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Partnership's receivables from customers and investment securities.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was;

		2018 £	2017 £
Loans receivable	Note 5	-	1,084,579
Due from FR Property LLP	Note 6	3,413,187	8,588,698
		<hr/>	<hr/>
Total		3,413,187	9,673,277
		<hr/>	<hr/>

Non-interest bearing loan assets are secured by a number of property assets, the values of which are subject to fluctuations in the property market.

Notes (continued)

10(b) Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due.

At the year end, the Partnership had sufficient cash and cash equivalents to meet its working capital requirements for the foreseeable future.

11 Financial statements

The Partnership is a limited liability partnership incorporated in the UK as a joint venture between PREV (Bristol) LLP and Bristol Real Estate Company Limited holding 50% each in the Partnership.

These accounts are available at Time & Life Building, 1 Bruton Street, London W1J 6TL.

12 Subsequent events

There have been no significant subsequent events to report since 31 March 2018 up to the date of approval of these financial statements.

13 Related party transactions

Included within receivables are the following:

Entity	2018 £	2017 £	Relationship
Finzels Reach Property LLP	3,412,656	8,422,079	Direct investment of PREV (FR) LLP
Finzels Reach Freehold LLP	19,936	13,800	Direct investment of PREV (FR) LLP

Included within payables are the following:

Entity	2018 £	2017 £	Relationship
Finzels Reach Property LLP	23,885	23,885	Direct investment of PREV (FR) LLP

14 Ultimate parent undertaking and controlling party

The LLP's immediate parents and controlling parties are Bristol Finance Company Limited and Palmer Real Estate Value LP.

The ultimate parent entity of the LPP is Palmer Real Estate Value Trust registered in England and Wales. Copies of these financial statements are available from the registered office at Time & Life Building, 1 Bruton Street, London W1J 6TL.