

PREV (FR) LLP

Registered number OC388502

UNAUDITED

Members' Report and Financial Statements

For the year ended 31 March 2021

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PREV (FR) LLP
Members' Report and Financial Statements
For the year ended 31 March 2021

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PREV (FR) LLP
Members' Report and Financial Statements
For the year ended 31 March 2021

Information

Designated members

PREV (Bristol) LLP
Bristol Real Estate Company Limited

LLP registered number

OC388502

Registered office

Third Floor Queensberry House
3 Old Burlington Street
London
W1S 3AE

PREV (FR) LLP
Members' Report and Financial Statements
For the year ended 31 March 2021

Members' Report

The Members present their members' report and financial statements for the year ended 31 March 2021.

PREV (FR) LLP ("the LLP") was registered as a limited liability partnership in England and Wales under the Limited Liability Partnerships Act 2000.

Principal activities

The principal activity of the LLP was that of investing in Finzels Reach Property LLP, Finzels Reach Freehold LLP, Finzels Reach Limited and PREV (Bristol Agent) LLP. Historically, it acquired 100% of the secured debt over the mixed used development site located at Finzels Reach, Bristol as well as invested in other real estate debt opportunities.

Business overview

The LLP through its investments owns the reversionary freehold interest in the entire site at Finzels Reach, Bristol.

Going concern

The financial statements continue to be prepared on a going concern basis which the Members believe to be appropriate as the LLP 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. The LLP continues to operate until such time as the reversionary freehold interest in Finzels Reach Bristol (owned by Finzels Reach Freehold LLP) is disposed of.

Distributions

The LLP has made nil distributions (2020: £16,600,000) during the year.

Members

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

Employees

The LLP has no employees.

Political contributions

Neither the LLP nor any of its subsidiaries made any political donations or incur any political expenditure during the year (2020: £nil).

By order of the members



Charles Allen
On behalf of PREV (FR) LLP
Member
Third Floor
Queensberry House
3 Old Burlington Street
London W1S 3AE
31 March 2023

PREV (FR) LLP
Members' Report and Financial Statements
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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework* 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 UK adopted international accounting standards;
- 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.

PREV (FR) LLP
Members' Report and Financial Statements
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Statement of Comprehensive Income

	Note	2021 £	2020 £
Revenue		10,370	963
Other income	2	(11,158)	23,885
Gain/(Loss) on revaluation of investment in subsidiaries	4	(779,559)	5,501,453
Administrative expenses	3	(14,020)	(14,574)
Promote expense	9	(133,512)	(1,023,735)
Operating expenses		-	-
Operating profit/(loss)		(660,855)	4,487,992
Net finance income		496	2,647
Profit/(loss) for the year		(660,359)	4,490,638
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		(660,359)	4,490,638

All amounts relate to continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

PREV (FR) LLP
Members' Report and Financial Statements
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Statement of Financial Position

	Note	2021	2020
		£	£
Non-current assets			
Investments	4	399,812	1,179,371
		<u>399,812</u>	<u>1,179,371</u>
Current assets			
Trade and other receivables	5	1,002	9,760
Cash and cash equivalents	6	521,678	532,182
		<u>522,680</u>	<u>541,942</u>
Total assets		922,492	1,721,313
Current liabilities			
Trade and other payables	7	(11,897)	(19,797)
Provision for promote liabilities	9	(152,990)	(283,552)
		<u>(164,887)</u>	<u>(303,349)</u>
Total current liabilities		(164,887)	(303,349)
Non-current liabilities			
Provision for promote liabilities	9	-	-
		<u>-</u>	<u>-</u>
Net assets attributable to members		757,605	1,417,964
		<u><u>757,605</u></u>	<u><u>1,417,964</u></u>
Represented by:			
Members' capital account	8	2	2
Members' current account		757,603	1,417,962
		<u>757,603</u>	<u>1,417,962</u>
Total members' interests		757,605	1,417,964
		<u><u>757,605</u></u>	<u><u>1,417,964</u></u>

The notes on pages 8 to 13 form part of these financial statements.

For the financial year in question the Limited Liability Partnership was entitled to exemption under section 477 of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved and authorized for issue by the members and were signed on their behalf on:



Charles Allen
Member

Company registered number: OC388502

PREV (FR) LLP
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Statement of Members' Surplus

	Members' capital account £	Members' current account £	Total £
Balance at 1 April 2020	2	1,417,962	1,417,964
Total comprehensive income for the year	-	(660,359)	(660,359)
Balance at 31 March 2021	2	757,603	757,605

	Members' capital £	Members' current account £	Total £
Balance at 1 April 2019	2	13,527,323	13,527,325
Distribution to members	-	(16,600,000)	(16,600,000)
Total comprehensive income for the year	-	4,490,639	4,490,639
Balance at 31 March 2020	2	1,417,962	1,417,964

The notes on pages 8 to 13 form part of these financial statements.

PREV (FR) LLP
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Cash Flow Statement

	Note	2021	2020
		£	£
Cash flows from operating activities			
Operating profit after finance income for the year		(660,359)	4,490,638
<i>Adjustment for:</i>			
Unrealised deficit/(surplus) on revaluation of investments	4	779,559	(5,501,453)
Decrease/(increase) in trade and other receivables	4	8,758	(9,758)
Increase in trade and other payables	7	(138,462)	(3,154,250)
Net cash flows from operating activities		(10,505)	(4,174,823)
Cash flows from investing activities			
Distribution received from investments		-	17,320,654
Loan repayment from Finzels Reach Property LLP	5	-	3,429,346
Net cash flows from investing activities		-	20,750,000
Cash flows used in financing activities			
Distribution to members		-	(16,600,000)
Net cash used in financing activities		-	16,600,000
Net (decrease)/increase in cash and cash equivalents		(10,505)	(24,823)
Cash and cash equivalents at beginning of the year		532,182	557,005
Cash and cash equivalents at end of the year	6	521,678	532,182

The notes on the pages 8 to 13 form part of these financial statements.

PREV (FR) LLP
Members' Report and Financial Statements
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Notes to the financial statements

1 Accounting policies

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

The LLP's financial statements have been prepared and approved by the members in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements. A restatement of prior comparatives has been made in respect of the recognition of promote liabilities. See note 14.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs basis modified by the fair value of investments in underlying SPV's. All amounts have been rounded to the nearest pound, unless otherwise indicated.

1.2 Going concern

The financial statements continue to be prepared on a going concern basis which the Members believe to be appropriate as the LLP 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. The LLP continues to operate until such time as the reversionary freehold interest in Finzels Reach Bristol (owned by Finzels Reach Freehold LLP) is disposed of.

1.3 Summary of significant accounting policies

New accounting standards, amendments to existing accounting standards and/or interpretations of existing accounting standards (separately or together, 'New Accounting Requirements') adopted during the current year.

The following standard is effective for the first time for the LLP's 31 March 2020 year end:

- IFRS 16 'Leases'

This amendment did not have any material impact on the LLP's financial position or performance.

All other new standards and amendments have no bearing on the operating activities and disclosures of the LLP, and consequently have not been listed.

1.4 Revenue

Revenue consists of Insurance recharges that are recognised in the period that the related insurance expenses are incurred.

1.5 Financial assets

Receivables are stated at amortised cost less allowance for credit losses/impairment of bad debts.

Impairment of financial assets

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the receivables.

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Notes to the financial statements (continued)

1.6 Loans and borrowings

Initial recognition is at fair value less directly attributable transaction costs incurred. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The cash and cash equivalents are stated at their nominal value.

1.8 Members' capital and loans

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

1.9 Investments

Investments are measured at fair value. The fair value is calculated as the LLP's ownership interest in the underlying entities net asset value. The movement year on year is shown as an gain/loss through the Statement of Comprehensive Income.

1.10 Fair Value

Certain of the Group's accounting policies and disclosures require the measurement of fair values. Fair values are categorised into three different levels in a fair value hierarchy, in accordance with IFRS 13 Fair Value Measurement, and is based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information regarding the assumptions made in measuring fair values is included in Note 3.

1.11 Taxation

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

1.12 Promote Expense

A promote liability is recognised as an expense in profit or loss in the period in which the net assets of the LLP indicate that a promote amount will become payable to the counterparties. The liability is remeasured each year based on the latest net assets.

The promote is calculated according to the limited liability partnership agreement. Specifically, 20% of the income and capital gains that exceed a 10% internal rate of return are payable to Palmer Capital Partners (14.88%) and Palmer Real Estate Value General Partner Limited (5.12%) as a promote fee.

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Notes to the financial statements (continued)

2 Other income

	2021 £	2020 £
Amounts owed to PREV (FR) LLP	(11,158)	16,178
Total	(11,158)	16,178

This is non-cash income resulting from the reconciliation of intercompany loan balances with Finzels Reach Property LLP at the year end.

3 Administrative Expenses and Auditor's remuneration

Included in the profit for the year are the following:

	2021 £	2020 £
Audit fees	-	6,050
Non-audit fees	5,775	6,724
Legal fees	-	-
Other	8,245	-
	14,020	12,774

4 Investments

The LLP has the following investments in investment entities:

	Status	2021	Ownership 2020
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 - Third Floor Queensberry House, 3 Old Burlington Street, London W1S 3AE.

	2021 £	2020 £
Balance at 1 April 2020	1,179,371	12,998,572
Increase for fair value in subsidiaries	(779,559)	5,501,453
Distribution from investment	-	(17,320,654)
Balance at 31 March 2021	399,812	1,179,371

The fair value of the investments was revalued as at 31 March 2021 by the members to reflect the LLP's interests in the underlying entities net assets. The most significant is Investment Properties which were valued by CB Richard Ellis Limited in 2019 before being sold in 2020.

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The fair value measurement hierarchy level for investments as at 31 March 2021 was Level 3 significant unobservable inputs (2020: Level 3). There were no transfers between the levels of the fair value hierarchy during the current or prior year.

The key observable inputs in 2019 were:

- Market rental value per sq.ft £20-£35
- Equivalent yield 5.46%

The inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase for:

- An increase in market rental value per square foot
- A decrease in the equivalent yield

The valuations the LLP places on its property are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market.

5 Trade and other receivables

	2021 £	2020 £
Amounts due from Finzels Reach Property LLP	-	-
Amounts due from PREV (Bristol) LLP	1	1
Amounts due from Bristol Real Estate Company Limited	1	1
Amounts due from Finzels Reach Freehold LLP	1,000	9,758
Total	1,002	9,760

All trade and other receivables are non-interest bearing and are expected to be recovered within 12 months.

6 Cash and cash equivalents

	2021 £	2020 £
Bank balances	521,678	532,182

7 Trade and other payables

	2021 £	2020 £
Amounts due to Finzels Reach Property LLP	-	-
Trade payables	-	-
Accruals	11,550	19,450
Other payables	347	347
Total	11,897	19,797

All trade and other payables are non-interest bearing and are expected to be settled within 12 months.

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Notes to the financial statements (continued)

8 Capital

The LLP is financed by individual members' capital.

Movement in individual members' capital

	2021 £	2020 £
Balance at 1 April 2020	2	2
Balance at 31 March 2021	2	2

9 Promote Liability

	2021 £	2020 £
Current:		
Amount owed to Palmer Capital Partners Limited	113,825	210,963
Amount owed to Palmer Real Estate Value General Partner Limited	39,165	72,589
	152,990	283,552

10 Financial instruments

Financial instruments held by the LLP 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 LLP.

The LLP has exposure to credit risk and liquidity risk arising from its use of financial instruments. This note presents information about the exposure of the LLP 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 LLP if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the LLP'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;

	Note	2021 £	2020 £
Amounts due from group entities	5	1,000	9,760
Total		1,000	9,760

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Notes to the financial statements (continued)

10 Financial instruments (continued)

10(b) Liquidity risk

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

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

11 Financial statements

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

These accounts are available at Third Floor Queensberry House, 3 Old Burlington Street, London W1S 3AE.

12 Related party transactions

Included within trade & other receivables are the following:

Entity	2021 £	2020 £	Relationship
Finzels Reach Property LLP	-	-	Direct investment of PREV (FR) LLP
Finzels Reach Freehold LLP	1,002	9,758	Direct investment of PREV (FR) LLP
Bristol Real Estate Company Limited	1	1	Immediate parent of PREV (FR) LLP
PREV (Bristol) LLP	1	1	Immediate parent of PREV (FR) LLP

Included within trade & other payables are the following:

Included within operating expenses is a promote expense of £113,825 (2020: £210,963 to Palmer Capital Partners Limited and £39,165 (2019: £72,589) to Palmer Real Estate Value General Partner Limited.

13 Ultimate parent undertaking and controlling party

The LLP's immediate parents and joint controlling parties are Bristol Real Estate Company Limited and PREV (Bristol) LLP. The LLP's ultimate parents are now Bristol Finance Company Limited and Fiera Real Estate UK Limited respectively.

Consolidated financial statements are prepared by Fiera Real Estate UK Limited and are available from the registered office at Third Floor Queensberry House, 3 Old Burlington Street, London W1S 3AE.

14 Subsequent events

On the 10th of January 2022, the membership interests in PREV (BRISTOL) LLP were transferred from Palmer Real Estate Value LP to Fiera Real Estate UK Limited.