PORTSMOUTH GENERAL PARTNER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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PORTSMOUTH GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors	DV4 Administration Limited A D Parsons
Company number	5033021
Registered office	Lansdowne House Berkeley Square London W1J 6ER

PORTSMOUTH GENERAL PARTNER LIMITED

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PORTSMOUTH GENERAL PARTNER LIMITED

DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2017

COMPANY NUMBER 5033021

The Directors present their report and financial statements for the year ended 31 March 2017.

Principal activities and review of the business

The principal activity of the Company continued to be that of General Partner in Centros Portsmouth Limited Partnership.

Future developments

The Directors are pursuing a broad range of opportunities.

Directors

The following directors have held office since 1 April 2016:

DV4 Administration Limited
A D Parsons

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

On behalf of the board 7 Nov 2017

Director ANDREW PARSONS

PORTSMOUTH GENERAL PARTNER LIMITED

BALANCE SHEET
AS AT *31 MARCH 2017*

	Notes	31 March 2017 £	£	31 March 2016 £	£
Fixed assets					
Investments	1		1		1
Current assets					
Debtors	2	9,202		9,202	
		9,202		9,202	
Creditors: amounts falling due within one year	3	(201)		(201)	
Net current assets			9,001		9,001
Total assets less current liabilities			9,002		9,002
Net assets			9,002		9,002
Capital and reserves					
Called up share capital	4		1,000		1,000
Profit and loss account	5		8,002		8,002
Shareholders' funds - equity interests			9,002		9,002

For the year ending 31 March 2017 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities
- The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

- The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

The financial statements were approved by the Board on 7 November 2017

Director ANDREW PARSONS

PORTSMOUTH GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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1 Fixed asset investments

	Shares in group undertakings and participating interests
	£
Cost	
At 1 April 2016 and at 31 March 2017	1

2 Debtors

	31 March 2017	31 March 2016
	£	£
Amounts owed by group undertakings and undertakings in which the Company has a participating interest	8,202	8,202
Other debtors	1,000	1,000
	9,202	9,202

3 Creditors: amounts falling due within one year

	31 March 2017	31 March 2016
	£	£
Taxation	200	200
Other creditors	1	1
	201	201

PORTSMOUTH GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4 Share capital	31 March 2017 £	31 March 2016 £
Authorised		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	1,000	1,000
Allotted, called up and fully paid		
1,000 ordinary 'A' and 'B' shares of £1 each	1,000	1,000

5 Statement of movements on reserves

	Profit and loss account £
Balance at 1 April 2016	8,002
Retained profit for the year	-
Balance at 31 March 2017	8,002

Partnership Number: LP009330

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

PARTNERSHIP INFORMATION

Partnership number	LP009330
Limited partners	DV4 Properties Portsmouth 2 Limited DV4 Portsmouth Limited Partnership
General partner	Portsmouth General Partner Limited
Registered office of the General partner	6th Floor Lansdowne House Berkeley Square London W1J 6ER
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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CENTROS PORTSMOUTH LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER
FOR THE YEAR ENDED 31 MARCH 2017
PARTNERSHIP NUMBER: LP009330

The General Partner presents its report and financial statements for the Limited Partnership ("Partnership") for the year ended 31 March 2017.

Principal activities

The principal activity of the Partnership is that of property investment and development. The principal asset is a potential development site in Portsmouth city centre. The proposed extension to the Development Agreement is not being signed as the General Partner believes the target timescales are unachievable. Accordingly the submission of the draft planning application is on hold while discussions with the Council continue.

Result for the year

The loss for the financial year amounted to £4,043,403 (2016: £6,800).

Principal risks and uncertainties

It is the opinion of the General Partner that the major risk faced by the business is the continuing challenge in the regional retail property market, particularly for a scheme of this size and value.

The Company's key performance indicators are:

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Loss for the year	(4,043,403)	(6,800)
Net assets	16,081,289	20,124,692

Going concern

The financial statements have been prepared on a going concern basis. The Partnership forecasts it will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

Disclosure of information to the auditor

So far as the General Partner at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware, and the General Partner has taken all the steps that it is obliged to take as a General Partner in order to make itself aware of any relevant audit information, and to establish that the auditor is aware of that information.

Auditor

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the re-appointment of Ernst & Young LLP as auditor of the company.

Small companies' exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The General Partner has also taken advantage of the exemption provided under section 414B of the Companies Act 2006 from the requirement to produce a strategic report for the year.

ANDREW PARSONS

For and on behalf of DV4 Administration Limited
Director of General Partner, Portsmouth General Partner Limited
19 SEP 2017 2017

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2017

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

Company law as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the general partner to prepare financial statements for each financial year. Under that law the general partners has prepared the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to qualifying Partnerships 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 the profit or loss of the Partnership, 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 applicable 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 general partner is 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 Companies Act 2006 as applied to qualifying Partnerships by the Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CENTROS PORTSMOUTH LIMITED PARTNERSHIP

We have audited the financial statements of Centros Portsmouth Limited Partnership for the year ended 31 March 2017 which comprise the Income Statement, Statement of Financial Position, 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the 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 partnership 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'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 Statement of General Partner's Responsibilities set out on page 2, 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 members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the General Partners 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 aquired 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 the 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 March 2017 and of its loss for the period then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Report of the General Partner has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the General Partners were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirements to prepare a Strategic Report and take advantage of the small companies' exemption in preparing the Report of the General Partners.

Ernst & Young LLP

Matthew Williams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

19/9/17

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	1.6	521,895	519,179
Cost of sales		(395,063)	(471,556)
Gross profit		126,832	47,623
Loss on valuation of investment property	4	(3,020,266)	(26,091)
Administrative expenses		(1,149,776)	(28,339)
Operating loss	2	(4,043,210)	(6,807)
Interest receivable and similar income	3	7	7
Loss on ordinary activities before taxation		(4,043,203)	(6,800)
Tax on ordinary activities	1.7	(200)	-
Loss for the financial year		(4,043,403)	(6,800)

The loss for the year has been attributed to the Partners in accordance with note 8.

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

STATEMENT OF FINANCIAL POSITION
AT *31 MARCH 2017*

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	4		17,000,000		20,000,000
Current assets					
Debtors	5	785,229		777,678	
Cash at bank and in hand		84,970		33,333	
		870,199		811,011	
Creditors: amounts falling due within one year	6	(1,788,910)		(686,319)	
Net current (liabilities)/ assets			(918,711)		124,692
			16,081,289		20,124,692
Capital and reserves					
Partners' capital accounts	7		4,000,000		4,000,000
Partners' current accounts	8		12,081,289		16,124,692
			16,081,289		20,124,692

The financial statements were approved by the General Partner on 19 SEP 2017

For and on behalf of :
DV4 Administration Limited

Director of General Partner, Portsmouth General Partner Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (FRS 102) and the Companies Act 2006, as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008. The entity meets the criteria of a 'small entity' in accordance with Section 1A of the standards and has chosen to apply the small entities' regime.

1.2 Accounting convention

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investment properties.

1.3 Going Concern

The financial statements have been prepared on a going concern basis. The Partnership forecasts it will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

1.4 Cash Flow Statement

The Partnership has taken advantage of the exemption in FRS 102 Section 1A.8 from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company.

1.5 Investment property under construction

Investment properties are initially included at their full cost in the financial statements once an irrevocable purchase contract has been entered into. The cost of investment properties is their purchase cost, together with any incidental costs of acquisition.

Investment properties are then revalued annually on an open market basis by the General Partner, having had reference to valuations carried out by appropriately qualified independent valuers. Any revaluation surplus or deficit arising is recognised in the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties.

Disposals are accounted for on completion.

1.6 Turnover

Turnover comprises rent received from properties and is recognised on a straight-line basis over the lease term. All turnover arises in the UK. Lease incentives are recognised over the lease term on a straight-line basis.

1.7 Taxation

No provision for taxation has been made as each partner will be responsible for their own tax liability.

1.8 Cash

Cash comprises cash at bank.

1.9 Short-term debtors and creditors

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

2 Operating loss

	2017	2016
	£	£
This is stated after charging:		
Auditors' remuneration	15,850	15,850

3 Interest receivable and similar income

	2017	2016
	£	£
Bank interest receivable	7	7

4 Tangible assets

Investment property in the course of construction	2017	2016
	£	£
At 1 April 2016	20,000,000	20,000,000
Additions	20,266	26,091
Revaluation	(3,020,266)	(26,091)
At 31 March 2017	17,000,000	20,000,000

The investment property has been valued at market value by the General Partner with reference to an independent valuation at 31 March 2017 at £17,000,000.

Valuation methodology

Valuations of the Company's property are primarily performed at each period end by independent third party valuers, based on the following:

- information provided by management relating to future development opportunities based on planning permissions held or sought and corporate structures in which respective properties are held
- market assumptions derived from their own independent assessment and market observations

5 Debtors

	2017	2016
	£	£
Other debtors	617,263	617,263
Trade debtors	167,966	160,415
	785,229	777,678

6	Creditors: amounts falling due within one year	2017 £	2016 £
	Accruals and deferred income	1,707,933	609,974
	Trade creditors	33,664	38,347
	Other creditors	23,625	23,625
	Taxes and social security	16,886	7,571
	Amounts due to related parties	6,802	6,802
		1,788,910	686,319

7	Partners' capital accounts	2017 £	2016 £
	Equity		
	DV4 Properties Portsmouth 2 Limited	2,000,000	2,000,000
	DV4 Portsmouth Limited Partnership	2,000,000	2,000,000
		4,000,000	4,000,000

8 Partners' current accounts

	As at 1 April 2016 £	Loss for the year £	As at 31 March 2017 £
DV4 Properties Portsmouth 2 Limited	8,062,346	(2,021,702)	6,040,645
DV4 Portsmouth Limited Partnership	8,062,346	(2,021,702)	6,040,645
	16,124,692	(4,043,403)	12,081,289

9 Employees

The Partnership had no employees during the year (2016: none).

10 Transactions with related parties

During the year administration and consulting costs of £225,000 (2016: £225,000) were charged by Centros UK Limited, a management company in which the ultimate parent company of DV4 Portsmouth Limited Partnership owns an investment.

As at 31 March 2017, an amount of £22,500 was due to Centros UK Limited (2016: £22,500).

11 Ultimate parent company

Portsmouth General Partner Limited, incorporated in England & Wales, is the Limited Partnership's General Partner. The company's ultimate parent undertaking and controlling party is DV4 Limited. DV4 Limited is registered and incorporated in the British Virgin Islands. DV4 Limited is the parent undertaking of the largest and the smallest group of which the Partnership is a member and for which group financial statements are prepared.