

CHESTERFIELD PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019



CHESTERFIELD PROPERTIES LIMITED

COMPANY INFORMATION

Directors	J M E Saunders M B Jenkins P S Slavin
Company secretary	F V Heazell
Registered number	00400725
Registered office	180 Great Portland Street London W1W 5QZ
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

CHESTERFIELD PROPERTIES LIMITED

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CHESTERFIELD PROPERTIES LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the eighteen month period ended 31 December 2019. The prior period was presented for twelve months.

During the prior year the directors took the decision to cease trading. As they intended to liquidate the company following the settlement of remaining net assets, they have not prepared the financial statements on the going concern basis.

Directors

The directors who served during the period and up until the date of signing were:

A A Dodd (resigned 07 November 2019)
J M E Saunders
M B Jenkins
P S Slavin (appointed 13 February 2020)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

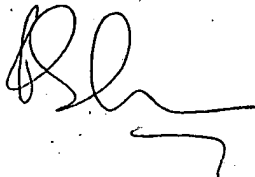
Auditor

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

Small Companies Note

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

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



P S Slavin
Director

Date: 17 July 2020

CHESTERFIELD PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company'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 company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe it is appropriate to prepare the financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 company and to prevent and detect fraud and other irregularities.

CHESTERFIELD PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTERFIELD PROPERTIES LIMITED

Opinion

We have audited the financial statements of Chesterfield Properties Limited ("the company") for the period ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, statement of changes in equity and the 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 the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in the note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report 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 directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with small companies regime, take advantage of the small companies exemption in preparing director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

CHESTERFIELD PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTERFIELD PROPERTIES LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

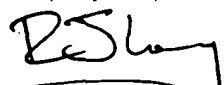
Auditor's responsibilities

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
Canary Wharf
London

Date: 20 July 2020

CHESTERFIELD PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	Period ended 31 December 2019 £	30 June 2018 £
Turnover	3	-	5,022
Cost of sales		-	(1,785)
Gross profit		-	3,237
Administrative expenses		-	(10,016)
Operating loss	4	-	(6,779)
Profit on disposal of investment property		-	34,644
Interest receivable and similar income	6	6,810,995	16,684,047
Profit before tax		6,810,995	16,711,912
Tax on profit	7	-	(35,072)
Profit for the financial period/year		6,810,995	16,676,840
Other comprehensive income		-	-
Total comprehensive income for the period/year		6,810,995	16,676,840

The notes on pages 9 to 15 form part of these financial statements.

CHESTERFIELD PROPERTIES LIMITED
REGISTERED NUMBER: 00400725

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	30 June 2018 £
Current assets			
Debtors: amounts falling due within one year	8	253,119,986	246,308,991
		<u>253,119,986</u>	<u>246,308,991</u>
Creditors: amounts falling due within one year	9	(165,042,773)	(165,042,773)
Net current assets		<u>88,077,213</u>	<u>81,266,218</u>
Total assets less current liabilities		<u>88,077,213</u>	<u>81,266,218</u>
Net assets		<u><u>88,077,213</u></u>	<u><u>81,266,218</u></u>
Capital and reserves			
Called up share capital	10	100	100
Share premium account		28,792,792	28,792,792
Capital redemption reserve		674,586	674,586
Profit and loss account		58,609,735	51,798,740
Shareholder's funds		<u><u>88,077,213</u></u>	<u><u>81,266,218</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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


P S Slavin
 Director

Date: 17 July 2020

The notes on pages 9 to 15 form part of these financial statements.

CHESTERFIELD PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2018	100	28,792,792	674,586	51,798,740	81,266,218
Comprehensive income for the period					
Profit for the period	-	-	-	6,810,995	6,810,995
Total comprehensive income for the period	-	-	-	6,810,995	6,810,995
At 31 December 2019	100	28,792,792	674,586	58,609,735	88,077,213

The notes on pages 9 to 15 form part of these financial statements.

CHESTERFIELD PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2017	35,678,146	28,792,792	674,586	192,300,059	257,445,583
Comprehensive income for the year					
Profit for the year	-	-	-	16,676,840	16,676,840
Total comprehensive income for the year	-	-	-	16,676,840	16,676,840
Dividends paid	-	-	-	(192,856,205)	(192,856,205)
Shares cancelled during the year	(35,678,046)	-	-	35,678,046	-
Total transactions with owners	(35,678,046)	-	-	(157,178,159)	(192,856,205)
At 30 June 2018	100	28,792,792	674,586	51,798,740	81,266,218

The notes on pages 9 to 15 form part of these financial statements.

CHESTERFIELD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing the financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared under the historical cost convention. The current financial period is presented for eighteen months ending 31 December 2019 and the comparative amounts for the Statement of Comprehensive Income, Statements of Changes in Equity and related notes are not entirely comparable. The Company has adopted IFRS 15 (Revenue from Contracts with customers) and IFRS 9 (Financial Instruments) during the year. The adoption of these new standards did not have a material impact on the Company's financial position or performance.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

During the prior year the directors took the decision to cease trading. As they intended to liquidate the company following the settlement of remaining net assets, they have not prepared the financial statements on the going concern basis.

CHESTERFIELD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.2 Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is also recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet. For investment property that is measured at fair value, deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised.

1.3 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.4 Debtors

Debtors are recognised at invoiced values less provisions for impairment. The Company measures impairments at an amount equal to lifetime expected credit losses (ECL). The only material debtors held by the Company are from other Group entities and are repayable on demand. Therefore the current financial statement position of the subsidiary is integral in determining the ECL.

CHESTERFIELD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements under FRS 101 requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

3. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 31 December 2019 £	30 June 2018 £
Rents receivable	-	5,022

All turnover arose within the United Kingdom.

4. Operating loss

Fees of £1,458 (2018: £1,000) paid to the Company's auditor, KPMG LLP, for the audit of the Company have been wholly borne by a parent company, Quintain Limited.

Fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of the parent are required to disclose non-audit fees on a consolidated basis.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

CHESTERFIELD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Interest receivable and similar income

	Period ended 31 December 2019 £	30 June 2018 £
Interest receivable from group companies	<u>6,810,995</u>	<u>16,684,047</u>

As the Directors intend to dissolve the Company they took the decision to cease charging interest on intercompany balances during the period.

7. Taxation

	Period ended 31 December 2019 £	30 June 2018 £
Deferred tax		
Origination and reversal of timing differences	-	35,072
Total deferred tax	<u>-</u>	<u>35,072</u>
Tax on profit	<u>-</u>	<u>35,072</u>

CHESTERFIELD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	Period ended 31 December 2019 £	30 June 2018 £
Profit before tax	6,810,995	16,711,912
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,294,089	3,175,263
Effects of:		
Impact of timing differences	-	(17,990)
Expenses not deductible for tax purposes	-	6,967
Surrender of group relief for nil consideration	(1,294,089)	(3,119,356)
Indexation on capital gains	-	(9,812)
Total tax charge for the period/year	-	35,072

The group in which the company is a member has adopted a policy from 1 January 2019 of paying appropriate consideration for Group Relief claimed or surrendered to fellow group.

CHESTERFIELD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

8. Debtors

	31 December 2019 £	30 June 2018 £
Amounts owed by group undertakings	253,119,986	246,308,991
	<u>253,119,986</u>	<u>246,308,991</u>

Amounts owed by group undertakings are interest free from 1 July 2018 and are repayable on demand.

9. Creditors: amounts falling due within one year

	31 December 2019 £	30 June 2018 £
Amounts owed to group undertakings	165,042,773	165,042,773
	<u>165,042,773</u>	<u>165,042,773</u>

Amounts owed to group undertakings are interest free from 1 July 2018 and are repayable on demand.

10. Share capital

	31 December 2019 £	30 June 2018 £
Allotted, called up and fully paid		
400 (2018 - 400) Ordinary shares of £0.25 each	100	100
	<u>100</u>	<u>100</u>

CHESTERFIELD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

11. Controlling party

At 31 December 2019 the Company's immediate parent was Quintain (Holdings) Limited, registered address 180 Great Portland Street, London, W1W 5QZ, a subsidiary of Bailey Acquisitions Limited, registered address 44 Esplanade, St Helier, Jersey, JE4 9WG. The groups in which results of the Company are consolidated are those headed by Bailey Acquisitions Limited and Quintain Finance Limited. Group financial statements are available on request from 180 Great Portland Street, London W1W 5QZ. The ultimate controlling party is Lone Star Real Estate Fund IV, an entity incorporated in Bermuda.

12. Post balance sheet events

The United Kingdom has officially left the European Union on 31 January 2020 ("Brexit"); however, under the agreed transitional arrangements, all relevant rules and regulations will currently remain in place until 31 December 2020. It is currently not practicable to forecast with certainty how the value of, or the cash flows arising from, assumption involved in the Company's assets might be affected by Brexit. Consequently, it is currently not possible to accurately quantify the possible effect of Brexit on the Company.

In early 2020, the existence of a new disease (COVID-19) was confirmed and COVID-19 has since been declared a pandemic. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact.