

Registered number: 01766196

MOORFIELD GROUP LIMITED

AUDITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2019

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MOORFIELD GROUP LIMITED

COMPANY INFORMATION

Directors	Mr N Edwards (resigned 30 October 2019) Mr C Ferguson-Davie Mr M Gilbard
Company secretary	Mr S Hall
Registered number	01766196
Registered office	10 Grosvenor Street London England W1K 4QB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Embankment Place London WC2N 6RH

MOORFIELD GROUP LIMITED

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MOORFIELD GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their Strategic report on Moorfield Group Limited ("the Company") for the year ended 31 December 2019.

Business review

In 2019, the Company generated turnover of £5,086,000 (2018 - £7,928,000) and a loss after tax for the financial year of £2,552,000 (2018 - £904,00). The Company continues to act as a real estate manager, primarily to the Moorfield Real Estate Funds Limited Partnerships ("MREF III" and "MREF IV") and the Moorfield Audley Real Estate Funds Limited Partnership ("MAREF"). The funds are long term real estate and real estate-related investment vehicles from which the business receives management fees.

Principal risks and uncertainties

Risks and uncertainties are managed by the Company, as outlined below.

The following identifies the Company's principal risks and the ways in which the Company manages and controls these risks:

- The Company is indirectly affected by the risk of a general downturn in the international economy and in the real estate market, negatively impacting on eventual returns. The Company mitigates this risk by its employment of experienced individuals and its investment appraisal process.
- The inability to generate sufficient fund and asset management fees to cover the Company's overheads. The Company's cost base at times is greater than fund and asset management fees due to the cyclical nature of income. The Company mitigates this risk by ensuring sufficient cash reserves are maintained at all times.

Financial key performance indicators

Performance is managed and measured on a Company wide basis, key performance indicators relate to the level of fund and asset management fees generated compared to the cost base of the business. These will depend on the funds under management.

Financial risk management

The Company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, liquidity risk and credit risk. The Company's principal financial instruments comprise sterling cash and bank deposits, together with trade debtors and trade creditors that arise directly from its operations.

Disclosure of financial instruments is not considered necessary as it is not considered to be material for the assessment of the entity's assets, liabilities, financial position and profit or loss.

Post balance sheet events

On 30 January 2020 the World Health Organisation declared the coronavirus was a global health emergency. The going concern considerations were made in the light of the pandemic. The pandemic is considered a non-adjusting post balance sheet event and therefore the impact has not been reflected in the carrying value of the assets and liabilities in the financial statements at 31 December 2019.

MOORFIELD GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

A handwritten signature in black ink, appearing to read 'Marc E C Gilbard', written over a horizontal line.

MARC E C GILBARD

Date: 26 February 2021

MOORFIELD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The Company's principal activity during the financial year was that of the provision of investment and asset management services.

Results

The loss for the year, after taxation, amounted to £2,552,000 (2018 - loss £904,000).

Directors

The directors who served during the year were:

Mr N Edwards (resigned 30 October 2019)
Mr C Ferguson-Davie
Mr M Gilbard

Future developments

The directors do not anticipate any changes to the present level of activity or to the nature of the Company's business in the near future.

MOORFIELD GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

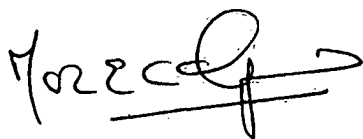
Post balance sheet events

On 30 January 2020 the World Health Organisation declared the coronavirus was a global health emergency. The going concern considerations were made in the light of the pandemic. The pandemic is considered a non-adjusting post balance sheet event and therefore the impact has not been reflected in the carrying value of the assets and liabilities in the financial statements at 31 December 2019.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Director

MARC EC GILBARD

Date: 26 February 2021

MOORFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORFIELD GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Moorfield Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Audited Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion:

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

MOORFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORFIELD GROUP LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities of the directors for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

MOORFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORFIELD GROUP LIMITED

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Benham (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants
Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Date: 26 February 2021

MOORFIELD GROUP LIMITED

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

	Note	2019 £000	2018 £000
Turnover	4	5,086	7,928
Gross profit		<u>5,086</u>	<u>7,928</u>
Administrative expenses		(7,799)	(8,840)
Operating loss	5	<u>(2,713)</u>	<u>(912)</u>
Interest receivable and similar income	9	323	268
Interest payable and similar expenses	10	(169)	(198)
Loss before tax		<u>(2,559)</u>	<u>(842)</u>
Tax on loss	11	7	(62)
Loss for the financial year		<u><u>(2,552)</u></u>	<u><u>(904)</u></u>

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 11 to 25 form part of these financial statements.

MOORFIELD GROUP LIMITED
REGISTERED NUMBER: 01766196

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	12	664	803
Fixed asset investments	13	4,304	3,255
		<u>4,968</u>	<u>4,058</u>
Current assets			
Debtors: amounts falling due within one year	14	17,224	13,235
Cash at bank and in hand		9,776	13,586
		<u>27,000</u>	<u>26,821</u>
Creditors: amounts falling due within one year	15	(10,384)	(6,736)
Net current assets		<u>16,616</u>	<u>20,085</u>
Total assets less current liabilities		<u>21,584</u>	<u>24,143</u>
Provisions for liabilities			
Deferred tax	16	(70)	(77)
		<u>(70)</u>	<u>(77)</u>
Net assets		<u><u>21,514</u></u>	<u><u>24,066</u></u>
Capital and reserves			
Called up share capital	17	1,629	1,629
Capital redemption reserve		2,848	2,848
Other reserves		5	5
Profit and loss account		17,032	19,584
Total equity		<u><u>21,514</u></u>	<u><u>24,066</u></u>

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

 **MARC EC GILBARD**

Director

Date: 26 February 2021

The notes on pages 11 to 25 form part of these financial statements.

MOORFIELD GROUP LIMITED

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

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2019	1,629	2,848	5	19,584	24,066
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,552)	(2,552)
At 31 December 2019	<u>1,629</u>	<u>2,848</u>	<u>5</u>	<u>17,032</u>	<u>21,514</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2018	1,629	2,848	5	20,488	24,970
Comprehensive loss for the year					
Loss for the year	-	-	-	(904)	(904)
At 31 December 2018	<u>1,629</u>	<u>2,848</u>	<u>5</u>	<u>19,584</u>	<u>24,066</u>

The notes on pages 11 to 25 form part of these financial statements.

MOORFIELD GROUP LIMITED

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

1. General information

Moorfield Group Limited is a private company, limited by shares and incorporated in England and Wales, registration number 01766196. The address of the registered office is 10 Grosvenor Street, London, England, W1K 4QB.

The Company's principal activity during the financial year was that of the provision of investment and asset management services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

There were no material departures from the standard.

The Company meets its day-to-day working capital requirements through its cash holdings. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate comfortably within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements

These financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Consolidation

These financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as a parent undertaking of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Stessa Trading Limited, a company incorporated in United Kingdom.

The Company has also included the results, assets and liabilities of the employee benefit trust.

MOORFIELD GROUP LIMITED

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

2. Accounting policies (continued)

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- The Company has taken advantage, under FRS 102 paragraph 1.12(b) from preparing a statement of cashflows on the basis that it is a qualifying entity and its ultimate parent Stessa Trading Limited, includes the company's cashflows in its consolidated financial statements.
- From certain financial instrument disclosures, required under FRS 102 paragraph 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information provided in the consolidated financial statement disclosures; and
- From disclosing related party transactions that wholly owned within the same group under paragraph 33.1 A from the provisions of FRS 102 on the grounds that at 31 December 2016, it was a wholly owned subsidiary.

2.4 Revenue recognition and turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

MOORFIELD GROUP LIMITED

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

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

MOORFIELD GROUP LIMITED

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

2. Accounting policies (continued)

2.10 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The estimated useful lives range as follows:

Leasehold improvements	- over associated lease terms
Fixtures, fittings and equipment	- 20 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.11 Valuation of investments

Investments are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MOORFIELD GROUP LIMITED

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

2. Accounting policies (continued)

2.15 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other receivables, loans to fellow group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction which is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MOORFIELD GROUP LIMITED

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

2. Accounting policies (continued)

2.16 Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the entity's accounting policies

No critical judgements have been made in applying the entity's accounting policies.

3.2 Key accounting estimates and assumptions

No key accounting estimates and assumptions have been made in applying the entity's accounting policies.

4. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. No analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the interests of the Company.

5. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	179	169
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25	25
Defined contribution pension cost	111	198
Other operating lease rentals	355	355
	<hr/>	<hr/>

MOORFIELD GROUP LIMITED

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

6. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25	25
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	35	35
Taxation advisory services	228	55
	<u>263</u>	<u>90</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	4,167	4,432
Social security costs	541	565
Other pension costs	262	269
	<u>4,970</u>	<u>5,266</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Directors	3	3
Property	9	12
Finance	5	6
Administration	3	3
	<u>20</u>	<u>24</u>

MOORFIELD GROUP LIMITED

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

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	1,532	1,293
Other pension costs	156	152
	<u>1,688</u>	<u>1,445</u>

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £693,295 (2018 - £511,819).

The value of the company's payments in lieu of contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £85,903 (2018 - £80,522).

9. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	285	201
Other interest receivable	38	67
	<u>323</u>	<u>268</u>

10. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable to group undertakings	<u>169</u>	<u>198</u>

MOORFIELD GROUP LIMITED

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

11. Tax on loss

	2019 £000	2018 £000
Total current tax	-	-
Deferred tax		
Deferred taxation (credit)/charge	(7)	62
Total deferred tax	(7)	62
Taxation on (loss)/profit on ordinary activities	(7)	62

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	(2,552)	(842)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(486)	(160)
Effects of:		
Expenses not deductible for tax purposes	160	44
Group relief surrendered and not paid for	16	27
Accelerated capital allowances/other timing differences	-	(45)
Carried forward losses	310	134
Adjustments to tax charge in respect of prior periods	-	21
Deferred tax recognised	(7)	41
Total tax charge for the year	(7)	62

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

During the year tax losses were surrendered to other group companies totalling £16,000 (2018 - £27,000). At the balance sheet date the value of losses carried forward into the next period was £310,000 (2018 - £134,000).

MOORFIELD GROUP LIMITED

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12. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 January 2019	848	615	1,463
Additions	8	32	40
At 31 December 2019	856	647	1,503
Depreciation			
At 1 January 2019	154	506	660
Charge for the year on owned assets	91	88	179
At 31 December 2019	245	594	839
Net book value			
At 31 December 2019	611	53	664
At 31 December 2018	694	109	803

13. Fixed asset investments

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 January 2019	1,755	1,500	3,255
Additions	15	1,034	1,049
At 31 December 2019	1,770	2,534	4,304
Net book value			
At 31 December 2019	1,770	2,534	4,304
At 31 December 2018	1,755	1,500	3,255

Other fixed asset investments and additions in the period mostly comprise shares in Stessa Trading Limited, the Company's ultimate parent.

MOORFIELD GROUP LIMITED

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13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Moorfield Investment Management Limited	Provision of investment management services	Ordinary shares of £1 each	100%
Moorfield Real Estate Fund GP Limited	General partner to two limited partnerships	Ordinary shares of £1 each	100%
Moorfield Real Estate Fund II GP Limited	General partner to two limited partnerships	Ordinary shares of £1 each	100%
Moorfield Newbury CIP Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
Moorfield Real Estate Fund CIP Limited	General partner to two limited partnerships	Ordinary shares of £1 each	100%
Moorfield Real Estate Fund CIP II Limited	General partner to two limited partnerships	Ordinary shares of £1 each	100%
Moorfield Hadrian's Hall Limited	Dormant	Ordinary shares of £1 each	100%
Moorfield Car Park I Limited	Investment company	Ordinary shares of £1 each	100%
Moorfield Car Park II Limited	Investment company	Ordinary shares of £1 each	100%
MREF III GP Limited	General partner to three limited partnerships	Ordinary shares of £1 each	100%
MREF III Limited	Investment company	Ordinary shares of £1 each	100%
BG-MF Investments GP Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
Precis (2768) Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
MREF III BG GP Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
MAREF CIP GP Ltd	General partner to one limited partnership	Ordinary shares of £1 each	100%
MAREF GP Ltd	General partner to one limited partnership	Ordinary shares of £1 each	100%

MOORFIELD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Principal activity	Class of shares	Holding
MREF IV Limited	Investment company	Ordinary shares of £1 each	100%
MREF IV GP Limited	General partner to three limited partnerships	Ordinary shares of £1 each	100%
Moorfield Audley LP Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
Precis (2773) Limited	General partner to one limited partnership	Ordinary shares of £1 each	100%
MREF IV 'C' Lux Sarl	General partner to one limited partnership	Ordinary shares of £1 each	100%
MIT Private Company Limited	Investment company	Ordinary shares of £1 each	100%

The registered office of the aforementioned companies is: 10 Grosvenor Street, London, W1K 4QB.

14. Debtors: Amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	879	723
Amounts owed by group undertakings	14,668	9,697
Other debtors	1,370	2,615
Prepayments and accrued income	307	200
	<u>17,224</u>	<u>13,235</u>

Trade debtors relate to asset management fees owed by entities within MREF III, MREF IV, MAREF.

Amounts owed by group undertakings bear interest at 3% and are repayable on demand

MOORFIELD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	52	47
Amounts owed to group undertakings	8,430	4,268
Amounts owed to related undertakings	359	301
Corporation tax	227	379
Other taxation and social security	91	328
Other creditors	4	2
Accruals and deferred income	1,221	1,411
	<u>10,384</u>	<u>6,736</u>

Amounts owed to group undertakings bear interest at 3% and are repayable on demand

16. Deferred tax

	2019 £000	2018 £000
At beginning of year	(77)	(15)
Charged to profit or loss	7	(62)
At end of year	<u>(70)</u>	<u>(77)</u>

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	<u>(70)</u>	<u>(77)</u>

17. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
162,856,200 (2018 - 162,856,200) Ordinary shares of £0.01 each	<u>1,628,562</u>	<u>1,628,562</u>

MOORFIELD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £000	2018 £000
Not later than 1 year	355	355
Later than 1 year and not later than 5 years	292	655
Later than 5 years	-	-
	<u>647</u>	<u>1,010</u>

19. Related party transactions

The Company has taken advantage of the exemption under the terms of Financial Reporting Standard (FRS102) paragraph 33.1A from disclosing related party transactions with Group Companies, on the grounds that the Company is wholly owned within the Group and the Company is included within the consolidated financial statements prepared by the Group.

The company has identified the following transactions which fall to be disclosed under the terms of FRS 102 "related party transactions."

Asset management fees charged to Moorfield Real Estate Funds Limited Partnerships and related entities are shown below:

	2019 £000	2018 £000
Fees from MREF III and related entities	720	1,480
Fees from MREF IV and related entities	447	341
Fees from MAREF and related entities	300	300
	<u>1,467</u>	<u>2,121</u>

MOORFIELD GROUP LIMITED

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19. Related party transactions (continued)

As at 31 December 2019, the following amounts are held on the balance sheet as (payables)/receivables:

	2019 £000	2018 £000
Amounts due to MREF and related entities	(251)	(232)
Amounts due from MREF III and related entities	320	360
Amounts due from MREF IV and related entities	90	204
Amounts due from MAREF and related entities	362	90
	<u>521</u>	<u>422</u>

Loans have been advanced to directors of the Company as follows: Nicholas Edwards £Nil (2018: £626,275); Charles Ferguson-Davie £251,275 (2018: £251,275).

The loans outstanding at 31 December 2019 were made to fund the purchase of shares in Stessa Trading Limited (the Company's ultimate parent undertaking) and are interest-free.

20. Post balance sheet events

On 30 January 2020 the World Health Organisation declared the coronavirus was a global health emergency. The going concern considerations were made in the light of the pandemic. The pandemic is considered a non-adjusting post balance sheet event and therefore the impact has not been reflected in the carrying value of the assets and liabilities in the financial statements at 31 December 2019.

21. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Stessa Limited, a company incorporated in England and Wales. The Company's ultimate parent undertaking and controlling party is Stessa Trading Limited, a company incorporated in England and Wales.

The smallest and the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Stessa Trading Limited, a company incorporated in England and Wales. Copies of the group financial statements are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.