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**GROSVENOR STOW LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



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## GROSVENOR STOW LIMITED

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## **GROSVENOR STOW LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **INTRODUCTION**

The directors present their Annual Report on the affairs of Grosvenor Stow Limited (the 'Company') together with the financial statements for the year ended 31 December 2017.

The directors have taken advantage of the special provisions available to small companies provided by s.415A of the Companies Act 2006 in respect of preparing the directors' report and in preparing a strategic report.

#### **BUSINESS REVIEW**

The Company is owned equally by Grosvenor West End Properties and Stow Mayfair GP Jersey Limited, with neither party having overall control.

The principal activity of the Company during the year was the management of the Keysign House property in London, W1. The Company is responsible for collecting rent from the tenants on behalf of the landlord, Grosvenor Keysign Limited.

The Company is in a net asset position and net current asset position as at 31 December 2017.

#### **GOING CONCERN**

After making enquiries the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future and for a minimum period of 12 months from the date of signing the financial statements. Accordingly they continue to adopt the going concern basis in preparing the Company's financial statements.

The results of the Company for the year are shown in the Income Statement.

The Balance Sheet shows no movement in the Company's net assets from the preceding year.

The directors do not anticipate any significant change in the activity of the Company and its profitability. The directors expect the general level of activity to remain consistent with the period ended 31 December 2017 in the forthcoming year.

The Company is incorporated in the United Kingdom and its registered office is 70 Grosvenor Street, London, W1K 3JP.

#### **RESULTS AND DIVIDENDS**

The result for the year amounted to £nil (2016: £nil).

There were no dividends paid in the year (2016: £nil).

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**GROSVENOR STOW LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS**

The directors who served during the year and subsequently, except as noted, were:

C A Henderson  
C McWilliam (resigned 1 January 2017)  
J R Milne  
S T Mainee  
W R Bax

**DIRECTORS' INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

This information is given and should be inspected in accordance with s418 of the Companies Act 2006.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since 31 December 2017.

**AUDITOR**

Deloitte LLP has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly.

This report was approved by the board on 13 March 2018 and signed on its behalf.



**K Robinson**  
Company Secretary

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## **GROSVENOR STOW LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors are responsible for preparing the Directors' Report, the Annual 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the 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 enable them to ensure that the 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.

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## GROSVENOR STOW LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR STOW LIMITED

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#### OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Grosvenor Stow Limited which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **GROSVENOR STOW LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR STOW LIMITED (CONTINUED)**

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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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

#### **AUDITOR'S 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 Auditor's 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

#### **USE OF OUR REPORT**

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.

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**GROSVENOR STOW LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR STOW LIMITED  
(CONTINUED)**

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**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**OPINION ON OTHER MATTERS 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

Under the Companies Act 2006 we are required to report in respect of the following matters, 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 the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Parizan Trewin FCA (Senior Statutory Auditor)

for and on behalf of  
**Deloitte LLP**

Statutory Auditor

London  
United Kingdom

13 March 2018



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GROSVENOR STOW LIMITED

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INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £	2016 £
Turnover	3	1,724,305	2,126,012
Cost of sales		(1,720,609)	(2,122,237)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>3,696</b>	<b>3,775</b>
Administrative expenses		(3,889)	(3,775)
		<hr/>	<hr/>
<b>Operating (loss)/ result</b>	4	<b>(193)</b>	<b>-</b>
Interest receivable and similar income		193	-
		<hr/>	<hr/>
<b>Result before tax</b>		<b>-</b>	<b>-</b>
Tax on result		-	-
		<hr/>	<hr/>
<b>Result for the year</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>

There were no recognised gains and losses, or items of other comprehensive income for 2017 or 2016 other than those included in the income statement and as a result no statement of comprehensive income has been presented.

The notes on pages 10 to 15 form part of these financial statements.

All activities in the current year and prior year are derived from continuing operations.

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**GROSVENOR STOW LIMITED**  
**REGISTERED NUMBER: 04028008**

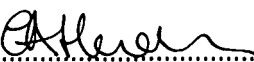
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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	1,562,659	1,681,081
Cash at bank and in hand	7	1,395,392	1,845,974
		<u>2,958,051</u>	<u>3,527,055</u>
Creditors: amounts falling due within one year	8	(2,957,951)	(3,526,955)
<b>Net current assets</b>		<u>100</u>	<u>100</u>
<b>Total assets less current liabilities</b>		<u>100</u>	<u>100</u>
<b>Net assets</b>		<u><u>100</u></u>	<u><u>100</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
		<u>100</u>	<u>100</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 March 2018.

  
.....  
**C A Henderson**  
Director

  
.....  
**S T Mainee**  
Director

The notes on pages 10 to 15 form part of these financial statements.

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**GROSVENOR STOW LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2017**

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	<b>Share capital</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 1 January 2017	100	100
<b>At 31 December 2017</b>	<b>100</b>	<b>100</b>

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

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	<b>Share capital</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 1 January 2016	100	100
<b>At 31 December 2016</b>	<b>100</b>	<b>100</b>

The notes on pages 10 to 15 form part of these financial statements.

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## **GROSVENOR STOW LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 'Reduced Disclosure Framework' ('FRS102') and the Companies Act 2006.

The financial statements have been prepared under the historical cost basis, except for the revaluation of certain properties that are measured at revalued amounts or fair values at the end of each reporting period, and in accordance with Financial Reporting Standard 102 'Reduced Disclosure Framework' and the Companies Act 2006.

The functional currency of Grosvenor Stow Limited is considered to be Sterling because that is the currency of the primary economic environment in which the Company operates.

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 2).

##### **1.2 TURNOVER**

The turnover shown in the Income Statement represents rents receivable and other recoverables from tenants in the year, excluding VAT.

Grosvenor Stow Limited acts as the principal in the provision of services to the tenants and turnover is consequently presented gross in the Income Statement.

##### **1.3 OPERATING LEASES: THE COMPANY AS LESSOR**

Rental income from operating leases is credited to the Income Statement on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income on a straight line basis over the length of the lease.

Premiums received and book values disposed of on the sale of operating leases are deferred to the Balance Sheet and released to the Income Statement on a straight-line basis over the length of the lease.

The Company took advantage of the optional exemption available on transition to FRS 102 which allowed lease incentives on leases entered into before the date of transition to the standard (1 January 2015) to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### **1.4 GOING CONCERN**

The directors' report describes the going concern basis for preparation of the financial statements.

##### **1.5 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.

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## GROSVENOR STOW LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.6 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.

##### 1.7 CASH FLOW STATEMENT

The directors have taken advantage of the small company exemption in FRS102 from including a cash flow statement in the financial statements.

##### 1.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when

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## GROSVENOR STOW LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.8 FINANCIAL INSTRUMENTS (CONTINUED)

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### 1.9 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.

#### 2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 3. TURNOVER

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

	2017 £	2016 £
Gross rental income	1,757,381	1,900,336
Other income	(33,076)	225,676
	<u>1,724,305</u>	<u>2,126,012</u>

All turnover arose within the United Kingdom.

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**GROSVENOR STOW LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**4. OPERATING (LOSS)/RESULT**

The operating (loss)/result is stated after charging:

	2017 £	2016 £
Auditors' remuneration- for the audit of the annual accounts of the Company	4,013	3,750
	<u>4,013</u>	<u>3,750</u>

No fees were payable to Deloitte LLP and its associates for non-audit services to the Company during the current or preceding year.

**5. PARTICULARS OF EMPLOYEES**

No fees or other emoluments were paid to the directors of the Company during either the current or the preceding year in respect of their services to the Company.

There were no employees of the Company for the current or preceding year.

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	659,178	624,899
Other debtors	81,524	53,929
Prepayments and accrued income	821,957	1,002,253
	<u>1,562,659</u>	<u>1,681,081</u>

**7. CASH AT BANK AND IN HAND**

	2017 £	2016 £
Cash at bank and in hand	115,156	676,179
Restricted cash held on behalf of third parties	1,280,236	1,169,795
	<u>1,395,392</u>	<u>1,845,974</u>

Restricted cash held on behalf of third parties includes funds held in relation to tenant deposits.

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**GROSVENOR STOW LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	594,355	647,514
Amounts owed to group undertakings	117,787	694,457
Other creditors	1,279,500	1,170,483
Accruals and deferred income	966,309	1,014,501
	<u>2,957,951</u>	<u>3,526,955</u>

There are no interest bearing amounts owed to group undertakings at 31 December 2017 (2016: £nil).  
Amounts owed to group undertakings are repayable on demand.

**9. RESERVES**

**Equity share capital**

The balance classified as equity share capital includes the total net proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

**10. CALLED UP SHARE CAPITAL**

	2017 £	2016 £
<b>AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID</b>		
50 'A' Ordinary shares of £1 each	50	50
50 'B' Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Both A & B shares rank pari passu in all respects but constitute separate classes of shares.



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**GROSVENOR STOW LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11. RELATED PARTY TRANSACTIONS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rent paid under a sub-sub underlease with Stow Mayfair Limited Partnership	<b><u>1,878,363</u></b>	<b><u>1,538,463</u></b>
Expenses recharged under a sub-sub underlease with Stow Mayfair Limited Partnership	<b><u>98,345</u></b>	<b><u>395,190</u></b>

At the 2017 year end no balances are owed to Stow Mayfair GP Jersey Limited or Grosvenor West End Properties (2016: £nil).

Balances owed to related parties of Grosvenor West End Properties are presented in note 8.

**12. CONTROLLING PARTY**

The Company is owned equally by Grosvenor West End Properties and Stow Mayfair GP Jersey Limited, with neither party having overall control.