

**20 BALDERTON STREET PROJECT 1 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**20 BALDERTON STREET PROJECT 1 LIMITED**

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**20 BALDERTON STREET PROJECT 1 LIMITED**

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

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## **INTRODUCTION**

The directors present their Annual Report on the affairs of 20 Balderton Street Project 1 Limited ('the Company') together with the financial statements for the year ended 31 December 2019.

## **BUSINESS REVIEW**

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

The principal activity of the Company during the year was to act as the development vehicle in the re-development of 425 Oxford Street, London W1.

The Company has net assets of £7,774 (2018 - £5,292) and a net current asset position of £7,774 (2018 - £5,292). The company made £2,482 (2018 - £2,488) of profit as at 31 December 2019.

## **GOING CONCERN**

After making enquiries, including reviewing the cash flow forecasts of the Company, 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.

Since the year end, the outbreak of the COVID-19 virus has given rise to material economic and financial uncertainties. The Company is continuing to monitor developments of the COVID-19 virus and the associated near-term uncertainty on the global economy outlook to understand the potential impact for the business. The Directors have considered the going concern assumption for the Company in light of these developments and considered the possible impact of COVID-19, for example on income and availability of funding, in determining the possible impact on the Company's cash flow forecasts for the period ending 31 December 2021. On the basis of the Company's continued forecast liquidity, the Directors still consider it appropriate to prepare the accounts on a going concern basis.

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

## **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £2,482 (2018 - £2,488).

The directors have not recommended payment of a dividend in the current or preceding year.

## **DIRECTORS**

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

C A Henderson  
A M Staveley  
J R Milne  
S T Mainee

**20 BALDERTON STREET PROJECT 1 LIMITED**

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

**FUTURE DEVELOPMENTS**

The Company saw no discernible impact on operations arising from the UK's exit from the European Union (the "EU") on 31 January 2020. The Company's profitability is dependent on the ability to recover cost recharges from entities whose profitability is largely linked to the performance of the UK property market. During 2020, the Company, will review the potential for operational or financial impacts arising from the negotiation of the future trading arrangement between the UK and the EU. Business commitments will be managed through the year dependent on the developing views of the likely outcome of the negotiations. Any related increase or decrease in profitability in the next 12 months is not expected to impact the long term strategy of the Company.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each of the persons who is a director 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.

This information is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

**POST BALANCE SHEET EVENTS**

Since the year end, the outbreak of the COVID-19 virus has given rise to material economic and financial uncertainties. This is considered to be a non-adjusting post balance sheet event for the Company. The impact has been considered by the Directors as set out on page 1.

**AUDITOR**

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

**SMALL COMPANIES NOTE**

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

This report was approved by the Board on 21 April 2020 and signed on its behalf.

*Derek Lewis*

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**D J Lewis**  
Company Secretary

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**20 BALDERTON STREET PROJECT 1 LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 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 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; 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 to 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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**20 BALDERTON STREET PROJECT 1 LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 20 BALDERTON STREET PROJECT 1 LIMITED**

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**OPINION**

In our opinion the financial statements of 20 Balderton Street Project 1 Limited (the 'Company'):

- 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 20 Balderton Street Project 1 Limited which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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.

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**20 BALDERTON STREET PROJECT 1 LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 20 BALDERTON STREET PROJECT 1  
LIMITED (CONTINUED)**

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**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.

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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

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<b>20 BALDERTON STREET PROJECT 1 LIMITED</b>
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 20 BALDERTON STREET PROJECT 1 LIMITED (CONTINUED)**

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**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**OPINIONS 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**

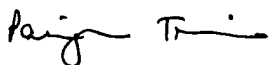
Under the Companies Act 2006 we are required to report in respect of the following matters, in our opinion:

- 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.

**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.



Parizan Trewin FCA (Senior Statutory Auditor)

for and on behalf of  
**Deloitte LLP**

Statutory Auditor

London  
United Kingdom

21 April 2020



**20 BALDERTON STREET PROJECT 1 LIMITED**

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

	Note	2019 £	2018 £
Turnover	4	8,124,505	15,655,318
Cost of sales		(8,103,854)	(15,649,318)
<b>Gross profit</b>		<b>20,651</b>	<b>6,000</b>
Administrative expenses		(20,651)	(6,000)
<b>Operating result</b>		<b>-</b>	<b>-</b>
Interest receivable and similar income	7	3,065	3,071
<b>Profit before tax</b>		<b>3,065</b>	<b>3,071</b>
Tax on profit	8	(583)	(583)
<b>Profit for the year</b>		<b>2,482</b>	<b>2,488</b>

There were no recognised gains and losses or items of other comprehensive income for 2019 or 2018 other than those included in the income statement, and, as a result, no statement of comprehensive income has been presented.

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

The notes on pages 10 to 19 form part of these financial statements.

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20 BALDERTON STREET PROJECT 1 LIMITED  
REGISTERED NUMBER: 08235525

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BALANCE SHEET  
AS AT 31 DECEMBER 2019

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	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	160,135	848,880
Cash at bank and in hand	10	355,315	1,915,711
		<u>515,450</u>	<u>2,764,591</u>
Creditors: amounts falling due within one year	11	(507,676)	(2,759,299)
<b>Net current assets</b>		<u>7,774</u>	<u>5,292</u>
<b>Total assets less current liabilities</b>		<u>7,774</u>	<u>5,292</u>
 <b>Net assets</b>		 <u><u>7,774</u></u>	 <u><u>5,292</u></u>
 <b>Capital and reserves</b>			
Called up share capital	12	100	100
Retained earnings	13	7,674	5,192
		<u>7,774</u>	<u>5,292</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2020.



S T Mainee  
Director



C A Henderson  
Director

The notes on pages 10 to 19 form part of these financial statements.

**20 BALDERTON STREET PROJECT 1 LIMITED**

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

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2018</b>	<b>100</b>	<b>2,704</b>	<b>2,804</b>
Profit for the year	-	2,488	2,488
<b>At 1 January 2019</b>	<b>100</b>	<b>5,192</b>	<b>5,292</b>
Profit for the year	-	2,482	2,482
<b>At 31 December 2019</b>	<b>100</b>	<b>7,674</b>	<b>7,774</b>

The notes on pages 10 to 19 form part of these financial statements.

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<b>20 BALDERTON STREET PROJECT 1 LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. GENERAL INFORMATION**

20 Balderton Street Project 1 Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The Financial Statements are prepared in Sterling.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

The Company is incorporated in the United Kingdom under the Companies Act.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of Grosvenor Limited, which may be obtained at 70 Grosvenor Street, London, W1K 3JP. Exemptions have been taken in these separate financial statements in relation to the presentation of a cash flow statement and financial statements.

The functional currency of the Company 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 3).

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The Directors' Report on page 1 describes the going concern basis of preparation of the financial statements.

**2.3 TURNOVER**

The turnover shown in the Income Statement represents amounts receivable in relation to the recharge of development expenditure in the year, excluding VAT.

Turnover and profit before tax are attributable to the one principal activity of the company and arise entirely in the United Kingdom.

**2.4 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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**20 BALDERTON STREET PROJECT 1 LIMITED**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.5 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.

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

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**2. ACCOUNTING POLICIES (continued)****2.6 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, 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 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.

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

**2. ACCOUNTING POLICIES (continued)**

**2.7 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.

**2.8 INTEREST INCOME**

Interest is recognised in the Income Statement using the effective interest method.

**2.9 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 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 value 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.

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**20 BALDERTON STREET PROJECT 1 LIMITED**

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

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**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, 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.

**3.1 Critical accounting judgements in applying the accounting policies**

The directors do not believe that there are any critical accounting judgements that would result in a material difference to the accounts in the next 12 months.

**3.2 Key sources of estimation uncertainty**

The directors do not believe that there are any sources of estimation uncertainty that would result in a material difference to the accounts in the next 12 months.

**4. TURNOVER**

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

	2019 £	2018 £
Recharges to related parties	8,124,505	15,655,318
	<u>8,124,505</u>	<u>15,655,318</u>

All turnover arose within the United Kingdom.

**5. AUDITOR'S REMUNERATION**

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,975	6,000
	<u>6,975</u>	<u>6,000</u>

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



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

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**6. DIRECTORS' REMUNERATION**

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.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>3,065</b>	<b>3,071</b>
	<b>3,065</b>	<b>3,071</b>

**20 BALDERTON STREET PROJECT 1 LIMITED**

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

**8. TAXATION**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>582</b>	<b>583</b>
Adjustments in respect of previous periods	<b>1</b>	<b>-</b>
<b>Total current tax</b>	<b>583</b>	<b>583</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before tax	<b>3,065</b>	<b>3,071</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>582</b>	<b>583</b>
<b>Effects of:</b>		
Other items attracting no tax relief or liability	<b>1</b>	<b>-</b>
<b>Total tax charge for the year</b>	<b>583</b>	<b>583</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2019.

A deferred tax rate of 17% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2019.

**20 BALDERTON STREET PROJECT 1 LIMITED**

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

**9. DEBTORS: Amounts falling due within one year**

	2019 £	2018 £
Trade debtors	10,800	11,019
Other debtors	100	100
Prepayments and accrued income	149,235	837,761
	<u>160,135</u>	<u>848,880</u>

All financial instruments are held at amortised cost in both the current and prior year.

**10. CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash at bank and in hand	355,315	1,915,711
	<u>355,315</u>	<u>1,915,711</u>

**11. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	3,720	3,720
Corporation tax	582	628
Other taxation and social security	25,107	10,789
Other creditors	101,285	-
Accruals and deferred income	376,982	2,744,162
	<u>507,676</u>	<u>2,759,299</u>

Other creditor balance represents amounts payable to Grosvenor Estate Management Limited, a fellow subsidiary undertaking of Grosvenor West End Properties.

All financial instruments are held at amortised cost in both the current and prior year.

**20 BALDERTON STREET PROJECT 1 LIMITED**

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

**12. CALLED UP SHARE CAPITAL**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<u>100</u>	<u>100</u>

The ordinary 'A' and 'B' shares rank pari passu in all respects.

**13. RESERVES**

**Called up share capital**

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

**Non-distributable reserves**

The reserve contains the balance of retained earnings to carry forward which are not available for distribution.

**Distributable reserves**

The reserve contains the balance of retained earnings to carry forward, being accumulated realised profits.

The split of retained earnings between non distributable and distributable reserves are detailed below:

	Non- distributable £	Distributable £	Total £
<b>At 1 January 2019</b>	-	5,192	5,192
Realised profits	-	3,064	3,064
	<u>-</u>	<u>8,256</u>	<u>8,256</u>
<b>At 31 December 2019</b>	-	8,256	8,256

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**20 BALDERTON STREET PROJECT 1 LIMITED**

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

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**14. RELATED PARTY TRANSACTIONS**

During the year Stow Mayfair GP Jersey Limited and Grosvenor West End Properties each provided the Company with £3,142,476 (2018 - £7,288,491) in relation to the recharge of development expenditure. At the year end £74,618 (2018 - £418,880) of this amount was due from each of Stow Mayfair GP Jersey Limited and Grosvenor West End Properties.

During the year the Company incurred costs of £102,638 (2018 - £21,485) payable to Grosvenor Property Developments Limited, a fellow subsidiary of Grosvenor West End Properties, in relation to project management fees. At the year end £nil (2018 - £nil) was owed to Grosvenor Property Developments Limited in respect of these fees.

During the year the Company also incurred costs of £52,703 (2018 - £33,000) payable to Grosvenor Property Developments Limited in relation to development advisor fees. At the year end £nil (2018 - £nil) was owed to Grosvenor Property Developments Limited in respect of these fees.

At the year end, included in other creditors is an amount of £101,285 (2018 - £nil) which was owed to Grosvenor Estate Management Limited, a fellow subsidiary undertaking of Grosvenor West End Properties.

**15. CONTROLLING PARTY**

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

The address of the registered office of Stow Mayfair GP Jersey Limited is First Island House, Peter Street, St Helier, Jersey, Channel Islands, JE2 4SP.

The address of the registered office of Grosvenor West End Properties is 70 Grosvenor Street, London, W1K 3JP.

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**64-70 SOUTH AUDLEY STREET LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**64-70 SOUTH AUDLEY STREET LIMITED**

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<b>64-70 SOUTH AUDLEY STREET LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**INTRODUCTION**

The directors present their Annual Report on the affairs of 64-70 South Audley Street Limited (the 'Company') together with the financial statements for the period ended 31 December 2019.

**BUSINESS REVIEW**

The Directors expect the Company to cease trading in 2020. During 2019 the principal activity was property management.

The Company is in a net asset position of £117,283 (2018: £117,466) and made a loss of £183 (2018: £71) as at 31 December 2019. It has net current assets of £117,283 (2018: £117,466).

**GOING CONCERN**

Owing to the cessation of trade, the directors have not adopted the going concern basis when preparing the financial statements. For further details see note 2.4 in the financial statements.

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

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

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £183 (2018: £71).

There were no dividends paid in the year under review (2018: £nil).



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**64-70 SOUTH AUDLEY STREET LIMITED**

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

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**DIRECTORS**

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

C A Henderson (resigned 31 December 2019)  
C McWilliam (resigned 10 January 2020)  
J G Raynor (appointed 30 September 2019)  
K J Bailey  
N A Hughes (resigned 27 March 2019)  
R A Jefferies (resigned 31 December 2019)  
R F C Blundell  
A C Bond (resigned 23 August 2019)  
A M Staveley  
D N Crichton (resigned 31 December 2019)  
P F O'Grady (resigned 31 December 2019)  
S Harding-Roots (resigned 31 December 2019)

**FUTURE DEVELOPMENTS**

The Company is expecting to cease trading in 2020. This is in line with its strategy, and the Company will commence statutory winding down in due course.

The Company as part of the wider Group is continuing to monitor developments of the COVID-19 virus and the associated near-term uncertainty on the global economy outlook. The Group is assessing the potential future operational and financial impact of the coronavirus and is seeking to take mitigating actions, as required.

**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.

This information is given and should be interpreted 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 2019.

**64-70 SOUTH AUDLEY STREET LIMITED**

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

**AUDITOR**

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

**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 on 21 April 2020 and signed on its behalf.

*Derek Lewis*

**D J Lewis**  
Company Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR 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 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 to 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.

**64-70 SOUTH AUDLEY STREET LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 64-70 SOUTH AUDLEY STREET LIMITED**

**OPINION**

In our opinion the financial statements of 64-70 South Audley Street Limited (the 'Company'):

- 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, 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 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 101 "Reduced Disclosure Framework" (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 (the 'FRC'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.

**EMPHASIS OF MATTER - FINANCIAL STATEMENTS PREPARED OTHER THAN ON A GOING CONCERN BASIS**

We draw attention to note 2.4 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 64-70 SOUTH AUDLEY STREET LIMITED**

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**OPINIONS 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.

**64-70 SOUTH AUDLEY STREET LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 64-70 SOUTH AUDLEY STREET LIMITED**

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

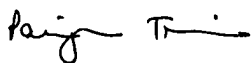
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.

We have nothing to report in respect of these matters.

**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.



Parizan Trewin FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory Auditor

London

United Kingdom

22 April 2020

**64-70 SOUTH AUDLEY STREET LIMITED**

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

	Note	2019 £	2018 £
Turnover	4	-	11,549
Cost of sales		(183)	(9,218)
<b>Gross (loss)/profit</b>		<b>(183)</b>	<b>2,331</b>
Administrative expenses		-	(16)
<b>Operating (loss)/profit</b>		<b>(183)</b>	<b>2,315</b>
Net loss from lease extensions		-	(2,386)
<b>Loss before tax</b>		<b>(183)</b>	<b>(71)</b>
Tax on loss	7	-	-
<b>Loss for the year</b>		<b>(183)</b>	<b>(71)</b>

There were no recognised gains and losses, or items of other comprehensive income, for 2019 or 2018 other than those included in the income statement and as a result no statement of comprehensive income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

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

**64-70 SOUTH AUDLEY STREET LIMITED**  
**REGISTERED NUMBER: 08624084**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	164,094	171,449
		<u>164,094</u>	<u>171,449</u>
Creditors: amounts falling due within one year	9	(46,811)	(53,983)
<b>Net current assets</b>		<u>117,283</u>	<u>117,466</u>
<b>Net assets</b>		<u>117,283</u>	<u>117,466</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Retained earnings	10	117,282	117,465
		<u>117,283</u>	<u>117,466</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2020.

*Roger Blundell*

**R F C Blundell**  
Director

The notes on pages 11 to 19 form part of these financial statements.



**64-70 SOUTH AUDLEY STREET LIMITED**

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

	Called up share capital £	Retained earnings £	Total equity £
<b>At 1 January 2018</b>	1	117,536	117,537
Loss for the year	-	(71)	(71)
<b>At 1 January 2019</b>	1	117,465	117,466
Loss for the year	-	(183)	(183)
<b>At 31 December 2019</b>	1	117,282	117,283

The notes on pages 11 to 19 form part of these financial statements.

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<b>64-70 SOUTH AUDLEY STREET LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. GENERAL INFORMATION**

64-70 South Audley Street Limited (the 'Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 19. The Financial Statements are prepared in Sterling.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The financial statements have been prepared under the historical cost basis.

Historical cost is generally based on the value of the consideration given in exchange for the assets.

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 3).

The Company is a wholly owned subsidiary of Grosvenor Limited, its ultimate parent undertaking, which is incorporated in Great Britain and registered in England and Wales and prepares consolidated financial statements. Consequently the Company is not required to prepare consolidated financial statements.

The following accounting policies have been applied:

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

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS**

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - 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.

Where required, equivalent disclosures are given in the group accounts of Grosvenor Limited. The group accounts of Grosvenor Limited are available to the public and can be obtained as set out in note 12.

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**64-70 SOUTH AUDLEY STREET LIMITED**

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 CHANGES IN ACCOUNTING POLICIES**

***i) New standards, interpretations and amendments effective from 1 January 2019.***

The Company has applied IFRS 16 'Leases' which has a mandatory effective date of 1 January 2019.

In accordance with the transitional provisions in IFRS 16, the new rule has been adopted cumulatively using the modified retrospective approach.

There are no adjustments required to be made to the Company's financial statements as a result of the adoption of IFRS 16.

***ii) Changes in accounting policies***

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16.

*Lessor accounting policy applicable to contracts entered into, or changed, from 1 January 2019*

IFRS 16 does not contain substantial changes to lessor accounting compared to IAS 17 and therefore has no impact on the Company.

**2.4 GOING CONCERN**

As disclosed in the Directors' Report, owing to a cessation of trade, the directors have not adopted the going concern basis when preparing the financial statements.

No adjustments arose as a result of ceasing to apply the going concern basis.

**2.5 TURNOVER**

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

Rental income from operating leases is recognised on a straight line basis over the lease term, even if the payments are not received on such a basis. The cost of operating lease incentives are similarly spread, in accordance with IFRS 16, on a straight line basis over the lease term.

Turnover and profit before tax are attributable to the one principal activity of the Company and arise entirely in the United Kingdom.

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

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 DEBTORS**

Trade receivables, loans, contract assets and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for indicators of impairment at each balance sheet date.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**2.7 FINANCIAL INSTRUMENTS**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach, permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment provisions will be measured using the expected credit loss model which requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses under the simplified approach as these items do not have significant financing component.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

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

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 FINANCIAL INSTRUMENTS (CONTINUED)**

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

**2.8 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.

**2.9 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 derecognised 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.

**2.10 CURRENT AND DEFERRED TAXATION**

Tax is recognised in the Income Statement, 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.

**64-70 SOUTH AUDLEY STREET LIMITED**

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

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, 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.

The directors do not believe that there are any critical accounting judgements or sources of estimation uncertainty that would result in a material difference to the accounts in the next 12 months.

**4. TURNOVER**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Ground rent income	-	11,549
	<u>-</u>	<u>11,549</u>

All turnover arose within the United Kingdom.

**5. AUDITORS' REMUNERATION**

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees for audit services	5,775	5,250
	<u>5,775</u>	<u>5,250</u>

The audit fee is borne by Grosvenor Estate Management Limited, a fellow subsidiary undertaking.

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

**64-70 SOUTH AUDLEY STREET LIMITED**

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

**6. DIRECTORS' REMUNERATION**

No fees or other emoluments were paid to the directors of the Company during either the current year or the preceding period in respect of their services to the Company. The directors are paid by Grosvenor Estate Management Limited.

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

**7. TAXATION**

There was no tax charge in the current or prior year.

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	2019 £	2018 £
Loss before tax	<u>(183)</u>	<u>(71)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.%)	(35)	(13)
<b>Effects of:</b>		
Group relief rendered/received for no consideration	45	(1,344)
Other items attracting no tax relief or liability	(10)	1,357
<b>Total tax for the year</b>	<u>-</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2019.

A deferred tax rate of 17% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2019.



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

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	-	6,831
Amounts owed by group undertakings	164,094	164,618
	<u>164,094</u>	<u>171,449</u>

There are no interest bearing amounts owed by group undertakings at 31 December 2019 (2018: £nil).

Amounts owed by group undertakings are receivable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	-	35,751
Accruals and deferred income	46,811	18,232
	<u>46,811</u>	<u>53,983</u>

10. RESERVES

**Called up share capital**

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

**Distributable reserves**

The reserve contains the balance of retained earnings to carry forward, being accumulated realised profits.

**Non distributable reserves**

The reserve contains the balance of retained earnings to carry forward which are not available for distribution.

The split of retained earnings between non distributable and distributable reserves are detailed below:

	Non- distributable £	Distributable £	Total £
At 1 January 2019	-	117,465	117,465
Loss for the year	-	(183)	(183)
	<u>-</u>	<u>117,282</u>	<u>117,282</u>
At 31 December 2019	-	117,282	117,282

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**64-70 SOUTH AUDLEY STREET LIMITED**

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

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**11. CALLED UP SHARE CAPITAL**

	2019 £	2018 £
<b>AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The Company's shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

**12. CONTROLLING PARTY**

The Company's ultimate parent undertaking is Grosvenor Group Limited, a company incorporated in the United Kingdom and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the Duke of Westminster.

The ultimate parent undertaking heads the largest group of undertakings of which the Company is a member and for which group accounts are prepared. Grosvenor Limited, the intermediate holding company, heads the smallest group of undertakings of which the Company is a member and for which group accounts are prepared. Grosvenor Properties is the immediate holding company.

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.

The address of the registered office of Grosvenor Group Limited, Grosvenor Limited and Grosvenor Properties is 70 Grosvenor Street, London, W1K 3JP.