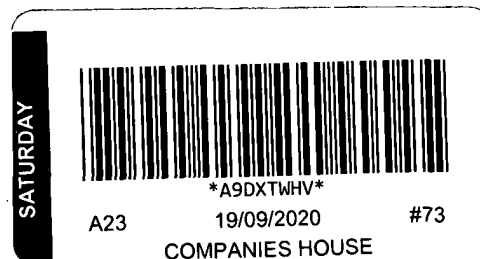


Registration number: 09124007

22 Southampton Street Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



22 Southampton Street Management Limited

Directors' Report for the year ended 31 December 2019

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2019.

Incorporation

22 Southampton Street Management Limited ("the Company") was incorporated (company number 09124007) and registered in England and Wales and domiciled in the United Kingdom on 10 July 2014.

Principal activities

The principal activity of the Company is to act as agent in the management of the residential property 22 Southampton Street, Covent Garden.

Business review

Fair review of the business

The Company's results for and financial position at the year ended 31 December 2019 are set out in full in the statement of comprehensive income, the balance sheet and the notes relating thereto.

Both the level of business during the year and the year end financial position were as expected. The result on ordinary activities before tax was £nil (2018: £nil). Total shareholders' funds at 31 December 2019 was £1 (2018: £1).

The Company's ultimate parent, Capital & Counties Properties PLC, elected for UK tax purposes to convert to a UK Real Estate Investment Trust ("REIT"), with effect from 9 December 2019. Following the conversion, and as a member of the REIT group, the Company is exempt from UK Corporation Tax on income and chargeable gains arising from its Qualifying REIT activities. Non-REIT activities will continue to be subject to UK Corporation Tax. Capital & Counties Properties PLC, as the principal member of the REIT group, is required to distribute at least 90 per cent of the group's property rental business income profits (calculated with reference to UK tax rules) to its shareholders as a PID.

Principal risks and uncertainties

Subsequent to the year end, the global economy has seen high levels of market volatility in connection with the COVID-19 pandemic. The business is closely monitoring the latest market developments relating to COVID-19 and its potential impact on the entity. The pandemic is considered a non-adjusting post balance sheet event.

The ultimate impact of the COVID-19 pandemic on the global economy is highly uncertain and the full extent of the economic impacts on the financial performance of the company are as yet unknown. The Directors continue to review any developments in the COVID-19 pandemic in the context of the risks presented to the Company's business.

The Directors believe that other than the risk related to COVID-19 discussed above, the principal risks and uncertainties that face the Company are not materially different to those disclosed in the Group Annual Report & Accounts of Capital & Counties Properties PLC for the year ended 31 December 2019 that are publicly available and in which the Company is consolidated.

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its development performance or position.

22 Southampton Street Management Limited

Directors' Report for the year ended 31 December 2019

Dividends

The Directors do not recommend the payment of a dividend for the year (2018: £nil).

Directors of the company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:

T G Attree

C I Denness

S S Jobanputra

I D Hawksworth

G J Yardley (resigned 30 June 2019)

M V A McGrath

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

22 Southampton Street Management Limited

Directors' Report for the year ended 31 December 2019

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the financial year in respect of the Group, including the Company and its Directors.


Independent auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Directors have taken advantage of the exemption from preparing a Strategic Report.

Approved by the Board on 2 Sept 2020 and signed on its behalf by:


.....
S S Jobanputra

Director

Date: 2 September 2020

22 Southampton Street Management Limited

Independent Auditors' Report to the members of 22 Southampton Street Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, 22 Southampton Street Management Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

22 Southampton Street Management Limited

Independent Auditors' Report to the members of 22 Southampton Street Management Limited

Reporting on other information

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

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

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

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

Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Director's responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

22 Southampton Street Management Limited

Independent Auditors' Report to the members of 22 Southampton Street Management Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

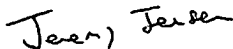
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



.....
Jeremy Jensen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 2 September 2020

22 Southampton Street Management Limited

Statement of Comprehensive Income for the year ended 31 December 2019

Continuing operations:	Note	2019 £	2018 £
Turnover		-	-
Operating result		-	-
Result on ordinary activities before tax	2	-	-
Total comprehensive income for the year		-	-

The Company had no movements in shareholders' funds other than those included in the statement of comprehensive income and therefore a separate statement of changes in shareholders' funds has not been presented.

The notes on pages 9 to 12 form part of these financial statements.

22 Southampton Street Management Limited

Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors	4	<u>1</u>	<u>1</u>
Net assets		<u><u>1</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account		<u>-</u>	<u>-</u>
Shareholders' funds		<u><u>1</u></u>	<u><u>1</u></u>

The notes on pages 9 to 12 form part of these financial statements.

The financial statements on pages 7 to 12 have been approved by the Board on 2 Sept 2020 and signed on its behalf by:

SS

S S Jobanputra

Director

Date: 2 September 2020

22 Southampton Street Management Limited

Notes to the Financial Statements for the year ended 31 December 2019

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). 6.

Going concern

At the time of approving the financial statements the Directors have a reasonable expectation that the Company will have adequate resources to meet both ongoing and future commitments for at least 12 months from the date of signing these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Exemptions

FRS 101 sets out a reduced disclosure framework that addresses the financial reporting requirements of and disclosure exemptions available in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"). Amendments are made to the requirements of IFRS where necessary so as to comply with the Companies Act 2006.

The Company, as a qualifying entity, is a member of a group where the parent of that group, being Capital & Counties Properties PLC, prepares publicly available consolidated financial statements that are intended to give a true and fair view and the Company is included in the consolidation. Details of where the 2019 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 6.

Summary of disclosure exemptions

The Directors of the Company have taken advantage of the following disclosure exemptions available under FRS 101:

- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 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'; and
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

The Directors have notified the shareholders of the Company in writing about the use of disclosure exemptions in these financial statements and the shareholders do not object.

New standards and interpretations

No new accounting standards and interpretations that are effective for the year ended 31 December 2019 have had a material impact on the financial statements.

22 Southampton Street Management Limited

Notes to the Financial Statements for the year ended 31 December 2019

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of consolidated financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those 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.

Areas of estimation and uncertainty are included within the accounting policies below.

Turnover

Under IFRS 15, in relation to the principal vs agent considerations, the Company acts as an agent and is therefore not responsible for fulfilling the contract and does not control the services before transferring it to the customer. No revenue is recognised as no commission is retained by the Company when receiving the management fee for managing residential property on behalf of its immediate parent company (22 Southampton Street Limited).

Tax

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed and any adjustment in respect of prior periods. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Debtors

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost. The Directors exercise judgement as to the collectability of the Company's debtors and determine whether it is appropriate to impair these assets. Debtors falling due after more than one year are presented under current assets in accordance with Companies Act 2006 requirements.

Creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Creditors are recognised at fair value and subsequently measured at amortised cost until settled.

Amounts owed to and from group undertakings

Amounts owed to group undertakings are recognised at fair value and subsequently measured at amortised cost until settled.

These balances are assessed annually for impairment in accordance with IFRS 9 'Financial Instruments' using the expected credit loss model. If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the income statements on a basis consistent with the original charge.

22 Southampton Street Management Limited

Notes to the Financial Statements for the year ended 31 December 2019

2 Result on ordinary activities before tax

The result on ordinary activities before tax of £nil (2018: £nil) is arrived at after charging:

	2019 £	2018 £
Auditors' remuneration - audit services	-	-
Auditors' remuneration of £2,839 (2018: £2,839) for the year has been met by an intermediate parent, Capco Covent Garden Limited, and has not been recharged.		

There were no employees during the year (2018: nil).

Directors' emoluments

No Director received any remuneration for services to the Company in either year. Some of the Directors are also directors of Capital & Counties Properties PLC, the Company's ultimate parent company, and the remuneration of these Directors is disclosed in the financial statements of Capital & Counties Properties PLC.

3 Tax on result on ordinary activities

The differences between the tax assessed for the year and the amount that would arise by applying the current average standard rate of corporation tax in the United Kingdom of 19.0 per cent (2018: 19.0 per cent) are shown below:

	2019 £	2018 £
Result on ordinary activities before tax	-	-
Current average United Kingdom corporation tax at 19.0% (2018: 19.0%)	-	-
Tax on result on ordinary activities	-	-

Following the enactment of Finance (No 2) Act 2015 and Finance Act 2016, the main rate of corporation tax reduced to 19 per cent from April 2017 and will reduce further to 17 per cent from April 2020.

4 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	1	1
Trade and other receivables	1	1
Amounts owed by group undertakings are unsecured, interest free and repayable on demand.		

22 Southampton Street Management Limited

Notes to the Financial Statements for the year ended 31 December 2019

5 Called up share capital

Issued, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

6 Ultimate parent company

The ultimate parent company and controlling party is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.

The Company's immediate parent is 22 Southampton Street Limited, a company incorporated in England and Wales, copies of whose financial statements may be also obtained as above.

7 Events after the financial period

Subsequent to the year ended 31 December 2019, the global economy has seen high levels of market volatility in connection with the COVID-19 pandemic. The business is closely monitoring the latest market developments relating to COVID-19 and its potential impact on the entity. The pandemic is considered a non-adjusting post balance sheet event. The ultimate impact of the COVID-19 pandemic on the global economy is highly uncertain and the full extent of the economic impacts on the financial performance of the Company are as yet unknown. The Directors continue to review any developments in the COVID-19 pandemic in the context of the risks presented to the Company's business.