Principal Tower Management Company Limited

Annual report and financial statements

Company Registration No. 9882734

For the year ended 31 December 2017

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Directors' report

The directors present their report and the financial statements of Principal Tower Management Company Limited (the "Company") for the year ended 31 December 2017. The directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006 and therefore the Company has taken the exemption from preparing a strategic report.

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute to the assets of the Company, in the event of a winding up, such amount as may be required not exceeding £1.

Principal activities

The Company has not traded during the current year or preceding period.

Business review

Principal Tower Management Company Limited was incorporated on 20 November 2015 and was dormant during the current year and preceding period. For the year ended 31 December 2017 the Company made £nil profit after tax (period ended 31 December 2016: £nil) and paid no dividends to directors (period ended 31 December 2016: £nil).

Directors

Set out below are the directors who held office during the period and up to the date of this report, except as noted:

R Amlot	
Z Vaughan	appointed 6 June 2018
N Thompson	appointed 28 June 2017, resigned 6 June 2018
M Jepson	resigned 31 March 2017
J Tuckey	appointed 31 March 2017, resigned 28 June 2017

None of the directors who held office at the end of the year and up to the date of this report held any discloseable interest in the Company.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the significant accounting policies note in the financial statements.

Audit exemption

For the year ended 31 December 2017 the Company was entitled to exemption from audit under section 480(1) of the Companies Act 2006 relating to dormant companies.

Approved by the board and signed on its behalf by:

R Amlot
Director

1 Ropemaker Street
London
EC2Y 9AW
20th September 2018

Statement of directors' responsibilities

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Statement of financial position
As at 31 December 2017

	2017 £	2016 £
Net assets	-	-
Reserves	-	-

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute to the assets of the Company, in the event of a winding up, such amount as may be required not exceeding £1.

The Company received no income and incurred no expense in the current year or preceding period. Accordingly a statement of comprehensive income is not presented.

a) For the year ended 31 December 2017, the Company was entitled to exemption from audit under section 480(1) of the Companies Act 2006 relating to dormant companies.

b) The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c) The Directors acknowledge their responsibility for:

   a. Ensuring the Company keeps accounting records which comply with section 386; and

   b. Preparing accounts in accordance with section 394, which give a true and fair view of the statement of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The statement of financial position should be read in conjunction with the notes to the financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

These financial statements of Principal Tower Management Company Limited, registered number 9882734, were approved and authorised for issue by the board of directors on 26th September 2018 and were signed on its behalf by:

R Amlot
Director

Statement of changes in equity
For the year ended 31 December 2017

	Reserves £	Total £
At incorporation	-	-
Total comprehensive income for the period	-	-
As at 31 December 2016 and 2017	-	-

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. General information

Principal Tower Management Company Limited ("the Company") is incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office is 1 Ropemaker Street, London, EC2Y 9AW.

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute to the assets of the Company, in the event of a winding up, such amount as may be required not exceeding £1.

2. Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

		Effective for periods beginning on or after
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021 *
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018 *
IAS 40 (amendments)	Transfers of Investment Property	1 January 2018 *
IFRS 9 (amendments)	Prepayment Features with Negative Compensation	1 January 2019 *
IAS 28 (amendments)	Long-term Interests in Associates and Joint Ventures	1 January 2019 *
Annual Improvements to IFRS Standards 2014-2016 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates and Joint Ventures	1 January 2018 *
Annual Improvements to IFRS Standards 2015-2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing Costs	1 January 2019 *

*subject to EU endorsement

A review of the financial instruments and revenue of the Company has been completed and indicates that there will be no material impact on the financial statements of the Company except for disclosure.

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the Company aside from additional disclosures.

3. Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The Statement of Financial Position has been prepared under the historical cost accounting convention and in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Going concern

The directors have prepared the financial statements on a going concern basis as this is a dormant company.

Notes to the financial statements *(continued)*

3. Significant accounting policies *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial of Position when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and 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.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the financial statements *(continued)*

3. Significant accounting policies *(continued)*

Financial instruments (continued)

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Cash flow statement
The company has no cash balances or bank account, therefore no cash flow statement has been prepared.

4. Critical accounting estimates and judgements

The preparation of the financial report in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. However, management do not consider there to be any critical estimates and judgements pertinent to the preparation of these financial statements.

5. Remuneration of directors and staff numbers

The Company had no employees in either the current or preceding year. None of the directors who held office during the current or preceding year received any remuneration for their services as directors to the Company.

6. Financial risk management

Capital risk management
Credit risk refers to the risk that a company will default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Externally imposed capital requirements
The Company is not subject to externally imposed capital requirements.

7. Ultimate parent undertaking

At the reporting date the immediate parent company was Principal Place Residential Development Limited, a company incorporated in Jersey.

The ultimate parent undertakings of Principal Place Residential Development Limited are Brookfield Property Partners L.P. (50%), whose registered office is 73 Front Street, 5th Floor, Hamilton, HM 12, Bermuda, and Arpeggio Holdings (PTC) Limited (50%) as trustee of The Laurie Trust (a discretionary trust).