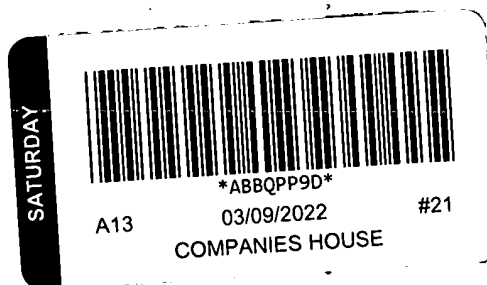


Connected Living London (Montford Place) Limited
Financial statements
30 September 2021



Connected Living London (Montford Place) Limited

Financial statements

Year ended 30 September 2021

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Connected Living London (Montford Place) Limited

Officers and professional advisers

The board of directors

Helen C Gordon
Michael P Keaveney
Kenneth J Youngman
Lester P Hampson
Benjamin J Tate
Rob J Hudson

Registered office

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Auditor

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Banker

Barclays Bank plc
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 2BH

Connected Living London (Montford Place) Limited

Directors' report

Year ended 30 September 2021

The directors present their report and the financial statements of the company for the year ended 30 September 2021.

Principal activities

The principal activity of the company during the year was property development and investment. The directors do not recommend the payment of a dividend (2020: £nil).

Directors

The directors who served the company during the year, and subsequent to the year end, were as follows:

Helen C Gordon	
Michael P Keaveney	
Andrew P Saunderson	(resigned 26 November 2021)
Kenneth J Youngman	
Lester P Hampson	
Benjamin J Tate	
Rob J Hudson	(appointed 26 November 2021)

Directors' responsibilities statement

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 Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities). 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 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Connected Living London (Montford Place) Limited

Directors' report *(continued)*

Year ended 30 September 2021

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 7 April 2022 and signed on behalf of the board by:



Kenneth J Youngman
Director

Independent auditor's report to the members of Connected Living London (Montford Place) Limited

Opinion

We have audited the financial statements of Connected Living London (Montford Place) Limited ("the company") for the year ended 30 September 2021 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which states that there is uncertainty surrounding the availability of future financial support from the Partners, due to the existence of a material uncertainty relating to going concern in the latest annual report of Transport for London. These events and conditions, along with the other matters explained in note 3, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors and inspection of policy documentation as to Connected Living London (BTR) Limited's high-level policies and procedures to prevent and detect fraud, including the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- reading Board minutes.

**Independent auditor's report to the members of Connected Living London (Montford Place)
Limited (continued)**

- considering remuneration incentive schemes and performance targets for management.
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as valuation of investment properties.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of Group-wide fraud risk management controls.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**Independent auditor's report to the members of Connected Living London (Montford Place)
Limited (continued)**

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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; 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 exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Independent auditor's report to the members of Connected Living London (Montford Place)
Limited (continued)**

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditors' 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.



Dan Gibson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
22 August 2022

Connected Living London (Montford Place) Limited

Statement of comprehensive income

Year ended 30 September 2021

	Note	Year to 30 Sep 21 £	Period from 5 Jul 19 to 30 Sep 20 £
Administrative expenses		(158)	(97)
Operating loss		<u>(158)</u>	<u>(97)</u>
Loss before taxation		<u>(158)</u>	<u>(97)</u>
Tax on loss	4	—	—
Loss for the financial year and total comprehensive loss		<u>(158)</u>	<u>(97)</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 15 form part of these financial statements.

Connected Living London (Montford Place) Limited

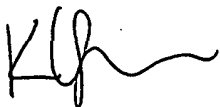
Statement of financial position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Investment property under construction	5	2,701,862	2,157,183
Current assets			
Debtors	6	30,105	31,159
Cash at bank and in hand		329,412	663,560
		<u>359,517</u>	<u>694,719</u>
Creditors: amounts falling due within one year	7	<u>(484,771)</u>	<u>(446,038)</u>
Net current (liabilities)/assets		<u>(125,254)</u>	<u>248,681</u>
Total assets less current liabilities		<u>2,576,608</u>	<u>2,405,864</u>
Net assets		<u>2,576,608</u>	<u>2,405,864</u>
Capital and reserves			
Called up share capital		2,576,863	2,405,961
Profit and loss account		(255)	(97)
Shareholders' funds		<u>2,576,608</u>	<u>2,405,864</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 7 April 2022, and are signed on behalf of the board by:



Kenneth J Youngman
Director

Company registration number: 12087138

The notes on pages 11 to 15 form part of these financial statements.

Connected Living London (Montford Place) Limited

Statement of changes in equity

Year ended 30 September 2021

	Called up share capital £	Profit and loss account £	Total £
At 5 July 2019	–	–	–
Loss for the period	–	(97)	(97)
Total comprehensive loss for the period	–	(97)	(97)
Issue of shares on incorporation	1	–	1
Further issue of shares in the period	2,405,960	–	2,405,960
Transactions with owners, recorded directly in equity	2,405,961	–	2,405,961
At 30 September 2020	2,405,961	(97)	2,405,864
Loss for the year	–	(158)	(158)
Total comprehensive loss for the year	–	(158)	(158)
Issue of shares	170,902	–	170,902
Transactions with owners, recorded directly in equity	170,902	–	170,902
At 30 September 2021	<u>2,576,863</u>	<u>(255)</u>	<u>2,576,608</u>

The notes on pages 11 to 15 form part of these financial statements.

Connected Living London (Montford Place) Limited

Notes to the financial statements

Year ended 30 September 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

2. Statement of compliance

The financial statements of Connected Living London (Montford Place) Limited ("the company") for the year ended 30 September 2021 were authorised for issue by the board of directors on 7 April 2022 and the statement of financial position was signed on the board's behalf by Kenneth J Youngman.

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The company's parent undertaking, Connected Living London (BTR) Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Connected Living London (BTR) Limited are prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and are available to the public and may be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the year.

Connected Living London (Montford Place) Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Going concern

The financial statements have been prepared on a going concern basis as the directors do not intend to, nor have they identified any circumstances which may lead to, the company being liquidated or to ceasing its operations. The company has net assets of £2,576,608 at 30 September 2021 and has generated a loss for the year then ended of £158.

The company is a subsidiary of Connected Living London (BTR) Limited. Connected Living London (BTR) Limited and its subsidiary undertakings (together, the 'Group') is a joint venture between Grainger plc ('Grainger') and Transport for London ('TfL') (together, the 'Partners'). A funding model, including cash flow forecasts extending at least 12 months from the date of approval of these financial statements, is in place, and future funding is expected to continue to be from regular equity injections from the Partners.

The detailed forecasts prepared by the directors for the 12 months from the date of approval of these financial statements are dependent on the Partners continuing to provide this additional funding when required. As with any company placing reliance on other entities for funding, the directors acknowledge that there can be no certainty that this will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, the Covid-19 pandemic has had a significant impact on the macro-economic conditions in which the Group and the Partners are operating. The latest Annual Report of Transport for London discloses a material uncertainty relating to the availability of funding to deliver TfL's current operational and capital plans, which creates uncertainty for the company given its reliance on funding from the Partners to meet its liabilities.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Income tax

The taxation charge for the period represents the sum of current tax and deferred tax. Tax is recognised in the statement of comprehensive income or directly in equity according to the accounting treatment of the related transaction.

Current tax is the amount of income tax payable/(recoverable) in respect of the taxable profit for the period or prior periods. Tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority where there is an intention to settle the balances on a net basis.

Connected Living London (Montford Place) Limited

Notes to the financial statements (continued)

Year ended 30 September 2021

3. Accounting policies (continued)

Investment property under construction

Investment property under construction is measured initially at its cost, including related transaction costs.

After initial recognition, investment property under construction is carried at fair value when construction is sufficiently progressed to be able to reliably measure its fair value. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available, the company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Subsequent expenditure is included in the carrying amount of the property when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains or losses arising from changes in the fair value of the company's investment properties are included in the statement of comprehensive income of the period in which they arise.

4. Tax

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Year to 30 September 2021	Period from 5 July 2019 to 30 September 2020 £
Loss on ordinary activities before taxation	(158)	(97)
Loss on ordinary activities by rate of tax	(30)	(18)
Deferred tax not provided for	40	18
Impact of changes in tax rates	(10)	-
Tax on loss	-	-

The company has unrecognised deferred tax assets of £64 (2020: £18) calculated at 25% (2020: 19%) in respect of tax losses.

Factors that may affect future tax expense

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) has been enacted. This will increase the company's future current tax charge accordingly. Deferred tax at 30 September 2021 has been measured at 25% (2020: 19%).

Connected Living London (Montford Place) Limited

Notes to the financial statements (continued)

Year ended 30 September 2021

5. Investment property under construction

	Assets under construction £	Total £
Cost		
At 1 October 2020	2,157,183	2,157,183
Additions	544,679	544,679
At 30 September 2021	2,701,862	2,701,862
Carrying amount		
At 30 September 2021	2,701,862	2,701,862
At 30 September 2020	2,157,183	2,157,183

6. Debtors

	2021 £	2020 £
Trade debtors	4,800	–
Other debtors	25,305	31,159
	30,105	31,159

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	–	28,277
Amounts owed to group undertakings and undertakings in which the company has a participating interest	87,904	109,470
Other creditors	396,867	308,291
	484,771	446,038

Amounts owed to group undertakings are unsecured, are repayable on demand, and do not bear interest.

8. Events after the end of the reporting period

Subsequent to the year end, the company issued a further 1,368,646 ordinary £1 shares for consideration of £1 each. The shares have full voting, dividend and capital distribution rights.

9. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Connected Living London (BTR) Limited group.

There are no persons holding service contracts with the company (2020: none). None of the directors received any remuneration from the company during the year, or in the previous period, in respect of their services to the company.

Connected Living London (Montford Place) Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2021

10. Ultimate parent undertaking and controlling party

Connected Living London (BTR) Limited is the company's immediate controlling party and parent company by virtue of its 100% shareholding in the company.

The called up share capital of Connected Living London (BTR) Limited is held by Connected Living London Limited (51% holding) and TTL Build to Rent Limited (49% holding). Connected Living London Limited is a wholly owned subsidiary of Grainger plc ('Grainger') and TTL Build to Rent Limited is a wholly owned subsidiary of Transport for London ('TfL'). Grainger and TfL have equal voting rights and equal board representation in respect of Connected Living London (BTR) Limited and therefore the directors consider there to be no ultimate parent undertaking and controlling party.