
GROSVENOR ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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GROSVENOR ASSET MANAGEMENT LIMITED

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GROSVENOR ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

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

BUSINESS REVIEW

The principal activity of the company during the year was the development of, and investment in, real estate property in the United Kingdom.

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

The company is in a net asset position and net current asset position, but is loss making as at 31 December 2016.

GOING CONCERN

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

DIRECTORS

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

R R Davis
D R Wright
N O Preston (resigned 31 January 2016)

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.

GROSVENOR ASSET MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 April 2017 and signed on its behalf.



R R Davis
Director

GROSVENOR ASSET MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GROSVENOR ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR ASSET MANAGEMENT LIMITED

We have audited the financial statements of Grosvenor Asset Management Limited for the year ended 31 December 2016, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

GROSVENOR ASSET MANAGEMENT LIMITED

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

OPINION ON OTHER MATTER 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Georgina Robb FCA (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants and Statutory Auditor

London
United Kingdom

7 April 2017

GROSVENOR ASSET MANAGEMENT LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	-	146,604
Cost of sales		-	-
Gross profit		-	146,604
Administrative expenses		(3,704)	(8,283)
Operating (loss) / profit		(3,704)	138,321
Interest receivable and similar income		195	1,026
(Loss) / Profit on ordinary activities before taxation		(3,509)	139,347
Taxation on profit on ordinary activities	6	-	-
(Loss) / Profit for the year		(3,509)	139,347

The notes on pages 9 to 14 form part of these financial statements.

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

There was no other comprehensive income for 2016 or 2015. Accordingly no Statement of Total Comprehensive Income is presented.

GROSVENOR ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: 03406617

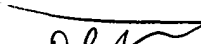
BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors	7	1,000	1,405
Cash at bank and in hand		36,870	72,683
		<u>37,870</u>	<u>74,088</u>
Creditors: Amounts falling due within one year	8	(6,350)	(39,059)
Net current assets		<u>31,520</u>	<u>35,029</u>
Total assets less current liabilities		<u>31,520</u>	<u>35,029</u>
Net assets		<u><u>31,520</u></u>	<u><u>35,029</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	9	31,420	34,929
		<u>31,520</u>	<u>35,029</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 April 2017.



.....
R R Davis
Director



.....
D R Wright
Director

The notes on pages 9 to 14 form part of these financial statements.

GROSVENOR ASSET MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	34,929	35,029
Loss for the year	-	(3,509)	(3,509)
AT 31 DECEMBER 2016	100	31,420	31,520

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	100	220,582	220,682
Profit for the year	-	139,347	139,347
Dividends: Equity capital	-	(325,000)	(325,000)
AT 31 DECEMBER 2015	100	34,929	35,029

The notes on pages 9 to 14 form part of these financial statements.

GROSVENOR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial reporting standard 101 'Reduced Disclosure Framework' ("FRS101") and the Companies Act 2006.

The financial statements have been prepared under the historic cost basis, except for the revaluation of certain assets and liabilities that are restated at revalued amounts or for values at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

GROSVENOR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements because it is included in the group accounts of Grosvenor Group Limited. Where required, equivalent disclosures are given in the group accounts of Grosvenor Group Limited. The group accounts of Grosvenor Group Limited are available to the public and can be obtained as set out in note 11.

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

1.3 Revenue

The revenue shown in the profit and loss account represents asset management fees receivable excluding VAT.

1.4 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.

1.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.6 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.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.8 Taxation

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.

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

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

Income tax

The Group applies judgement in the application of taxation regulations and makes estimates in calculating current income tax and deferred tax assets and liabilities, including the likely availability of future taxable profits against which deferred tax assets can be utilised.

GROSVENOR ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. ANALYSIS OF TURNOVER

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

	2016 £	2015 £
Management fees	-	146,604
	<u>-</u>	<u>146,604</u>
	<u>-</u>	<u>146,604</u>

All turnover arose within the United Kingdom.

4. AUDITORS' REMUNERATION

Auditors' remuneration for the audit of the financial statements of the company for the year ended 31 December 2016 is £3,150 (2015 - £3,200).

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

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

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

6. TAXATION

	2016 £	2015 £
Total current tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

GROSVENOR ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
(Loss) / Profit on ordinary activities before tax	(3,509)	139,347
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(702)	28,218
Effects of:		
Group relief surrendered/ (received) for no consideration	702	(28,218)
Total tax charge/(credit) for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 1 April 2015, the UK corporate tax rate was reduced from 21% to 20%. It will reduce to 19% from 1 April 2017 and was due to reduce to 18% from 1 April 2020. However, a further reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016 (Finance Act 2016).

A current tax rate of 20% has been applied to the year ended 31 December 2016.

A deferred tax rate of 17% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2016.

7. DEBTORS

	2016 £	2015 £
Due within one year		
Amounts owed by group undertakings	1,000	-
Other debtors	-	1,405
	1,000	1,405

Amount owed by group undertakings are payable on demand.

GROSVENOR ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	3,150	35,909
Accruals and deferred income	3,200	3,150
	6,350	39,059

Amount owed by group undertakings are payable on demand.

9. RESERVES

Profit and loss account

The profit and loss account reserve contains the balance of retained earnings to carry forward. Dividends are paid from this reserve.

10. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

11. CONTROLLING PARTY

The company's ultimate parent undertaking is Grosvenor Group Limited a company incorporated in Great Britain 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 Fund Management UK Limited is the immediate parent company.

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