Registered number: 04233692

1-5 GP MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1-5 GP MANAGEMENT LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Annual Report on the affairs of the Company together with 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 to provide property management services to other group companies and to third parties.

The Company is in a net asset position and net current asset position, and is profit making as at 31 December 2016.

GOING CONCERN
After making enquiries the directors expect the Company to cease trading within the 12 months following the date of signing the financial statements. As a consequence, the directors have not adopted the going concern basis when preparing the financial statements. No material adjustments arose as a result of ceasing to apply the going concern basis.

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

The balance sheet shows that the Company's net assets increased from £543,848 to £773,580 during the year.

The directors anticipate a fall in activity and profitability in the forthcoming year, as a result of all managed properties going into development in 2017.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £229,732 *(2015 - £212,333)*.

There were no dividends paid in the year under review (2015 - £NIL).

DIRECTORS

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

R F C Blundell
C A Henderson
P S Vernon (resigned 31 December 2016)
C Stevenson
W R Bax
U Schwarz-Runer (resigned 28 April 2016)
S R Elmer (resigned 11 March 2016)
C McWilliam
H J Cooper (resigned 19 February 2016)
J E Mendonça
D N Crichton (appointed 28 April 2016)
R A Jefferies (appointed 11 January 2016)
K J Bailey (appointed 28 April 2016)
N A Hughes (appointed 28 April 2016)
S Harding-Roots (appointed 28 April 2016)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

- This information is given and should be inspected in accordance with s418 of the Companies Act 2006.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since 31 December 2016.

AUDITOR

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

This report was approved by the board on 22 March 2017 and signed on its behalf.

....

K Robinson
Company Secretary

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 1-5 GP MANAGEMENT LIMITED

We have audited the financial statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 11 of 1-5 GP Management Limited for the year ended 31 December 2016, set out on pages 7 to 17. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 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 on page 4, 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 Financial Reporting Council'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 profit 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.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.4 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 1-5 GP 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 the Directors' 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.

Darren Longley FCA (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants and Statutory Auditor

London
United Kingdom

22 March 2017

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	*2015* *£*
Turnover	3	**229,732**	*212,333*
Cost of sales		**-**	*-*
Gross profit		**229,732**	*212,333*
Tax on profit	6	**-**	*-*
Profit for the year		**229,732**	*212,333*

There were no recognised gains and losses, or items of other comprehensive income for 2016 or 2015 other than those included in the income statement and as a result no statement of comprehensive income has been presented.

The notes on pages 10 to 17 form part of these financial statements.

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

1-5 GP MANAGEMENT LIMITED
REGISTERED NUMBER: 04233692

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	7	**825,322**	*573,515*
		825,322	*573,515*
Creditors: amounts falling due within one year	8	**(51,742)**	*(29,667)*
Net current assets		**773,580**	*543,848*
Total assets less current liabilities		**773,580**	*543,848*
Net assets		**773,580**	*543,848*
Capital and reserves			
Called up share capital	10	**100**	*100*
Retained earnings	9	**773,480**	*543,748*
		773,580	*543,848*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2017.

C A Henderson
Director

The notes on pages 10 to 17 form part of these financial statements.

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

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	100	543,748	543,848
Profit for the year	-	229,732	229,732
AT 31 DECEMBER 2016	100	773,480	773,580

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

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	100	331,415	331,515
Profit for the year	-	212,333	212,333
AT 31 DECEMBER 2015	100	543,748	543,848

The notes on pages 10 to 17 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- 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 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

Where required, equivalent disclosures are given in the group accounts of Grosvenor Limited. The group accounts of Grosvenor Limited are available to the public and can be obtained as set out in note 11.

1.3 TURNOVER

The turnover shown in the Income Statement represents amounts invoiced during the year for property and asset management services provided at 1-5 Grosvenor Place.

1.4 GOING CONCERN

The Company has prepared financial statements on a basis other than going concern. Refer to the Directors' Report for futher details.

1.5 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. ACCOUNTING POLICIES (CONTINUED)

1.6 FINANCIAL INSTRUMENTS

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

Financial assets

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

Loans and receivables

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

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

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

At amortised cost

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

1.7 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. ACCOUNTING POLICIES (CONTINUED)

1.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year, are discussed below:

Income tax

The Company 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.

Recoverability of debtor balances

Debtor balances, including intercompany balances, are reviewed annually to ensure that the counterparty is capable of repaying the balance when required. The credit quality of the counterparty is considered adequate and as such no provision has been made at 31 December 2016.

3. TURNOVER

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

	2016	*2015*
	£	*£*
Asset management fees	**229,732**	*212,333*
	229,732	*212,333*

All turnover arose within the United Kingdom.

4. AUDITORS' REMUNERATION

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

	2016	2015
	£	£
Fees for assurance services	5,243	4,194
	5,243	4,194

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

5. PARTICULARS OF EMPLOYEES

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

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

6. TAXATION

The total current tax for the year is £NIL (2015 - £NIL).

The total deferred tax for the year is £NIL (2015 - £NIL).

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* *£*
Profit on ordinary activities before tax	**229,732**	*212,333*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**45,946**	*42,997*
Effects of:		
Group relief surrendered/(received) for no consideration	**(45,946)**	*(42,997)*
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: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	*2015 £*
Trade debtors	**107,769**	*72,000*
Amounts owed by group undertakings	**717,553**	*501,515*
	825,322	*573,515*

There are no interest bearing amounts owed by group undertakings at 31 December 2016 (2015: £NIL).

Amounts owed by group undertakings are receivable on demand.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	*2015 £*
Other creditors	**24,000**	*2,000*
Accruals and deferred income	**27,742**	*27,667*
	51,742	*29,667*

9. RESERVES

Retained earnings
The reserve contains the balance of retained earnings to carry forward. Dividends are paid from this reserve.

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

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 Limited, the intermediate holding company, heads the smallest group of undertakings of which the Company is a member and for which group accounts are prepared.

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