

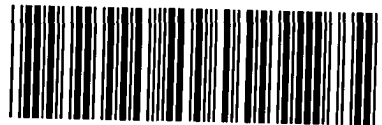
Registered No. 05608498

Pembroke Grafton GP Limited

Report and Financial Statements

For the year ended 31 December 2018

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COMPANIES HOUSE

Pembroke Grafton GP Limited

Directors

Nicholas Moldon
Sarah Parker

Lauren Sullivan resigned as director on the 6th April 2018

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Company Secretary

Citco London Limited

Registered Office

7 Albemarle Street
London
W1S 4HQ
United Kingdom

Pembroke Grafton GP Limited

Directors' report

The directors present their report and financial statements for Pembroke Grafton GP Limited (the "Company") for the year ended 31 December 2018.

Results and dividends

The result for the financial year ended 31 December 2018 amounted to a loss of £41,544 (2017: loss of £35,572). The directors do not recommend the payment of a dividend (2017: *£nil*).

Principal activities and review of the business

The principal activity of the Company will continue to be to act as the general partner to Pembroke Grafton Limited Partnership. There are no future changes expected for this activity.

The principal activities of Pembroke Grafton Limited Partnership comprise of property investment and the management of commercial property. The Partnership holds the leasehold title to the property located at 1 Grafton Street in London.

On 21 February 2013 the Partnership was renamed from HEVAF Grafton Limited Partnership to Pembroke Grafton Limited Partnership.

Pembroke Grafton GP Limited, acting as General Partner, has a legal interest of 0.01% in the Partnership. Pembroke Office Grafton Sarl, acting as Limited Partner, has an interest of 99.99% in the Partnership.

Going concern

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company and the level of financial support that will be made available to the company by Pembroke Grafton Limited Partnership and Horizon Real Estate Investors LLC. In addition, the directors assessed the risk of group companies related to the company requesting settlement of the balances due to them. Based on this review the directors have concluded that there exists no material uncertainty as regards to the company having sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

Post balance sheet event

There are no significant post balance sheet events.

Key performance indicators

No key performance indicators are used due to simplicity of the business.

Principal risks and uncertainties

The company is reliant on financial support that will be made available by Pembroke Grafton Limited Partnership and Horizon Real Estate Investors LLC. Director review considers this risk to not be material.

Directors' report

Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

Nicholas Moldon
Sarah Parker

Small company exemptions

The Directors' Report has been prepared taking advantage of the small companies exemption in accordance with S415A of the Companies Act 2006 (the "Act"). The Company has also taken the exemption under S414B of the Act, and therefore has not prepared a Strategic Report.

Qualifying third party indemnity provisions

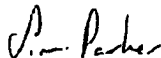
An associated undertaking maintains an indemnity to the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has been in place throughout the year and remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

The financial statements on pages 7 to 15 were approved by the Board and signed on its behalf by Sarah Parker.

On behalf of the Board



Director: Sarah Parker

Date: 29 April 2019

Statement of directors' responsibilities

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 require the Directors to prepare the financial statements for each financial year. Under that law the Directors have prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the Directors must not approve 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 and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and the apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 use in the preparation of financial statements; 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 auditors' report to the members of Pembroke Grafton GP Limited

Report on the audit of the financial statements

Opinion

In our opinion, Pembroke Grafton GP Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

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

Independent auditors' report to the members of Pembroke Grafton GP Limited

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

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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

Pembroke Grafton GP Limited

***Independent auditors' report to the members of Pembroke
Grafton GP Limited***



Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 April 2019

Pembroke Grafton GP Limited

Statement of Comprehensive Income
for the year ended 31 December 2018

	<i>Note</i>	<i>2018</i> £	<i>2017</i> £
Costs		(41,544)	(35,572)
Operating Loss	3	(41,544)	(35,572)
Loss before Tax			
Taxation	4	(41,544)	(35,572)
Total comprehensive expense for the financial year	9	(41,544)	(35,572)

Pembroke Grafton GP Limited

Statement of Financial Position

as at 31 December 2018

	<i>Note</i>	<i>2018</i> £	<i>2017</i> £
<i>Current assets</i>			
Investments	5	126	126
Trade receivables	6	2	2
		<u>128</u>	<u>128</u>
<i>Trade payables: amounts falling due within one year</i>	7	(147,163)	(105,619)
<i>Net current liabilities</i>		<u>(147,035)</u>	<u>(105,491)</u>
<i>Total assets less current liabilities</i>		<u>(147,035)</u>	<u>(105,491)</u>
<i>Capital and reserves</i>			
Called up share capital	8	30,002	30,002
Profit and loss account	9	(177,037)	(135,493)
<i>Total shareholders' deficit</i>	9	<u>(147,035)</u>	<u>(105,491)</u>

The financial statements on pages 8 to 15 were approved by the Board and signed on its behalf by Sarah Parker.

S. Parker

Date: 29 April 2019

Registered No. 05608498

Pembroke Grafton GP Limited

Statement of Changes in Equity

For the year ended at 31 December 2018

	<i>Called up Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' deficit £</i>
At 1 January 2017	30,002	(99,921)	(69,919)
Loss for the financial year and total comprehensive expense	–	(35,572)	(35,572)
At 31 December 2017	30,002	(135,493)	(105,491)
Loss for the financial year and total comprehensive expense	–	(41,544)	(41,544)
At 31 December 2018	30,002	(177,037)	(147,035)

The notes on pages 11-15 are an integrated part of these financial statements.

Pembroke Grafton GP Limited

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies

Statutory Information

Pembroke Grafton GP Limited (the "Company") is a private limited company incorporated in the United Kingdom, registration number 05608498. The registered office is 7 Albemarle Street, London W1S 4HQ, United Kingdom.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with generally accepted United Kingdom accounting standards (UK GAAP), and the Companies Act 2006. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

These financial statements for the year ended 31 December 2018 comply with FRS 102 as applicable from 1 January 2016.

Going Concern

In assessing whether the going concern basis of preparation is appropriate to adopt, the directors considered a number of factors including financial projections of the company and the level of financial support that will be made available to the company by Pembroke Grafton Limited Partnership and Horizon Real Estate Investors. In addition, the directors assessed the risk of group companies related to the company requesting settlement of the balances due to them. Based on this review the directors have concluded that there exists no material uncertainty as regards to the company having sufficient resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

Statement of cash flows

The company has not prepared a statement of cash flows for the year ended 31 December 2018 because there have been no cash movements within the year.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pembroke Grafton GP Limited

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies (continued)

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Non-current asset investments

Non-current asset investments are shown at cost less provision for impairment.

2. Staff costs and directors' remuneration

There were no staff employed by the company during the year ended 31 December 2018 (2017: none).

The directors have received £nil remuneration in respect of their services to the company during the year ended 31 December 2018 (2017: £nil).

3. Operating loss

This is stated after charging of the following administrative costs:

	2018 £	2017 £
-Auditors' remuneration	6,695	6,695
-Tax compliance services	2,500	2,500
Total auditors' remuneration	9,195	9,195

The auditors' remuneration fees for audit services were £6,695 for 2018 (£6,695 was paid for 2017) with the fee being borne by Pembroke Grafton Limited Partnership. Non-audit fees paid to the auditors in 2018, in respect of tax compliance services amounted to £2,500 (2017: £2,500).

4. Taxation on loss

(a) Taxation on loss

UK corporation tax

	2018 £	2017 £
UK corporation tax	-	-

Pembroke Grafton GP Limited

Notes to the financial statements

For the year ended 31 December 2018

4. Tax (continued)

(b) Factors affecting current tax charge

The total current tax is higher (2017: higher) than the tax on ordinary activities based on the standard rate of corporation tax in the UK of 19% (2017 – 19.75%). The differences are reconciled below:

	2018 £	2017 £
Loss before taxation	(41,544)	(35,572)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 19.75%)	(7,893)	(7,025)
Tax losses not carried forward	7,893	7,025
Total tax charge (note 4(a))	<u> </u>	<u> </u>

(c) Factors affecting future tax charges

There are tax losses of £177,783 (2017: £136,239) carried forward as at the end of the year. There is currently no persuasive and reliable evidence at this time to indicate there will be suitable future accounting profits from which to set against these losses, consequently no deferred tax asset has been recognized in respect of these losses.

5. Investments

Cost:	£
At 1 January 2018 and 2017	126
At 31 December 2018 and 2017	<u>126</u>

The investment relates to a 0.01% holding in the Pembroke Grafton Limited Partnership, a partnership registered in England. In accordance with the Partnership Deed dated 16 February 2006, the Company, as General Partner, is entitled to 0.01% of any profits or losses that Pembroke Grafton Limited Partnership makes.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Pembroke Grafton GP Limited

Notes to the financial statements

For the year ended 31 December 2018

6. Trade Receivables

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	2	2

7. Trade Payables: amounts falling due within one year.

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	(121,202)	(88,302)
Amounts owed to other creditors	(25,961)	(17,317)
Total Creditors	(147,163)	(105,619)

There is no interest applied to the intercompany balances and there is no fixed repayment date.

8. Called up share capital

<i>Authorised</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	30,100	30,100

<i>Allotted, called up and fully paid</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	30,002	30,002

Pembroke Grafton GP Limited

Notes to the financial statements

For the year ended 31 December 2018

9. Contingent liabilities

No contingent liabilities were noted in the financial year.

10. Related party transactions

In accordance with exemptions available under FRS 102, the Partnership has not disclosed details of certain transactions and balances with group undertakings. Balances at year end held with related parties are however disclosed in notes 6 and 7 of the financial statements.

11. Post balance sheet event

There are no significant post balance sheet events.

12. Parent undertaking and controlling party

As at 31 December 2018, the immediate and ultimate parent undertaking is Horizon Real Estate Investors LLC, which is registered in the United States of America. The registered office is 245 Summer Street, F3B, Boston, MA 02210.