

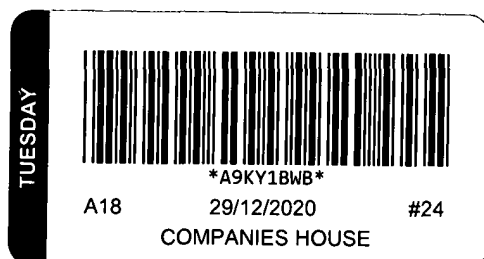
Registration number 09432756

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**GRAFTON QUARTER LIMITED**

**AUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**GRAFTON QUARTER LIMITED**

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**GRAFTON QUARTER LIMITED**

**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

George Tindley  
James Howard

**ADMINISTRATOR**

Langham Hall UK Services LLP  
8<sup>th</sup> Floor  
1 Fleet Place  
London EC4M 7RA  
United Kingdom

**INDEPENDENT AUDITOR**

KPMG LLP  
15 Canada Square  
London E14 5GL  
United Kingdom

**COMPANY'S REGISTERED ADDRESS**

33 Margaret Street  
London W1G 0JD  
United Kingdom

**COMPANY NO.**

09432756

## **GRAFTON QUARTER LIMITED**

### **DIRECTORS' REPORT**

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The Directors present their report and the audited Financial Statements of Grafton Quarter Limited (the "Company") for the year ended 31 December 2019.

#### **INCORPORATION**

The Company was incorporated in England & Wales on 10 February 2015 with registered no. 09432756.

#### **PRINCIPAL ACTIVITIES**

The Company was incorporated solely to invest in Grafton Quarter Property Development LLP ('GQPD LLP'), an English Limited Liability Partnership whose principal activity is that of the acquisition and development of residential property. The Company sold its investment in GQPD LLP in the prior year and now has no trading activities.

The Directors have assessed the financial position and envisage the Company being liquidated within 12 months of the approval of these financial statements. Therefore, the financial statements have not been prepared on a going concern basis.

#### **SUMMARY OF THE COMPANY'S ACTIVITIES FOR THE YEAR**

The net loss for the year amounted to £72,583 (2018: profit of £1,459,380).

The Directors do not recommend a dividend for the year (2018: £nil).

#### **DIRECTORS OF THE COMPANY**

The Directors of the Company during the year are stated on page 3.

#### **DIRECTORS' INDEMNITIES**

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

#### **GOVERNING LAW**

United Kingdom

#### **INDEPENDENT AUDITOR**


KPMG LLP was re-appointed as auditor for the year ended 31 December 2019. A resolution to re-appoint them will be proposed at a subsequent board meeting of the Directors.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the 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.

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

#### **BY ORDER OF THE BOARD**

  
Signed for and on behalf of Grafton Quarter Limited  
James Howard  
33 Margaret Street  
London  
W1G 0JD

Date: 30 November 2020

## **GRAFTON QUARTER LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The Directors of Grafton Quarter Limited ('the Directors') are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' Section 1A, the small entities regime.

Company law requires the Directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable 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. As explained in note 1.2 the financial statements have not been prepared on a going concern basis for the reasons set out in that note.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**GRAFTON QUARTER LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAFTON QUARTER LIMITED**

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**Opinion**

We have audited the financial statements of Grafton Quarter Limited (the "Company") for the year ended 31 December 2019, which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

**Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1.2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

**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, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**GRAFTON QUARTER LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUTNEY HIGH STREET LIMITED (CONTINUED)**

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**Directors' responsibilities**

As explained more fully in their statement set out on page 5, 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.

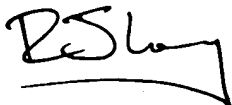
**Auditor's responsibilities**

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](http://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 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.



**Richard Long (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
7 December 2020

**GRAFTON QUARTER LIMITED****STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	For the year ended 31 December 2019 £	For the year ended 31 December 2018 £
<b>Expenses</b>			
Operating expenses	2	(55,079)	(13,839)
<b>Operating loss</b>		<b>(55,079)</b>	<b>(13,839)</b>
(Loss)/gain on sale	5	(17,504)	1,473,219
<b>Loss/(profit) before taxation</b>		<b>(72,583)</b>	<b>1,459,380</b>
Taxation	4	-	-
<b>Loss and total comprehensive (loss)/income for the year</b>		<b>(72,583)</b>	<b>1,459,380</b>

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



## GRAFTON QUARTER LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

Registration number 09432756

	Notes	31 December 2019 £	31 December 2018 £
<b>Assets</b>			
<b>Non current assets</b>			
Investment in subsidiary	5	-	-
<b>Total non current assets</b>		-	-
<b>Current assets</b>			
Debtors	6	5,830,715	5,849,346
<b>Total current assets</b>		<b>5,830,715</b>	<b>5,849,346</b>
<b>Total Assets</b>		<b>5,830,715</b>	<b>5,849,346</b>
<b>Equity</b>			
Share capital	8	4,375,000	4,375,000
Retained earnings		1,361,100	1,433,683
<b>Total equity</b>		<b>5,736,100</b>	<b>5,808,683</b>
<b>Current liabilities</b>			
Creditors	7	94,615	40,663
<b>Total current liabilities</b>		<b>94,615</b>	<b>40,663</b>
<b>Total equity and liabilities</b>		<b>5,830,715</b>	<b>5,849,346</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 15 were approved and authorised for issue by the Board of Directors on 30 November 2019 and were signed on its behalf by:

  
Director:  
James Howard

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

## GRAFTON QUARTER LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Retained earnings £	Total equity £
Opening balance at 1 January 2018	4,375,000	(25,697)	4,349,303
Total comprehensive income for the year	-	1,459,380	1,459,380
<b>Balance at 31 December 2018</b>	<b>4,375,000</b>	<b>1,433,683</b>	<b>5,808,683</b>
Opening balance at 1 January 2019	4,375,000	1,433,683	5,808,683
Total comprehensive loss for the year	-	(72,583)	(72,583)
<b>Balance at 31 December 2019</b>	<b>4,375,000</b>	<b>1,361,100</b>	<b>5,736,100</b>

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

**GRAFTON QUARTER LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****1. Summary of significant accounting policies****1.1 Basis of preparation**

The audited financial statements have been prepared under United Kingdom Accounting Standards, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' Section 1A, the small entities regime.

**1.2 Going concern**

The financial statements have not been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons. The company sold its only investment within the year ending 31 December 2018. The Directors are now in the process of winding up the Company and envisage this will be completed within 12 months of the approval of the financial statements. There was no impact on reported amounts as a result of this change.

**1.3 Cash flow**

A cash flow statement has not been prepared as the Company does not hold a bank account and such statement is not a requirement under FRS 102 Section 1A. Payments are made on its behalf by Prime London Residential Development II LP (PLRD II LP), the Company's ultimate parent.

**1.4 Functional and presentational currency**

The Company's accounts are presented in pounds sterling (£), which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates.

**1.5 Operating expenses**

Operating expenses are recognised on an accruals basis in the Statement of Profit and Loss and Other Comprehensive Income in the period in which they are incurred.

**1.6 Investment in subsidiary**

Investment in subsidiary is held at cost less any impairment.

**1.7 Financial instruments****(i) Financial assets**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets include debtors, which are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Such financial assets are subsequently measured at amortised cost using the effective interest rate method.

At the end of each reporting period, financial assets are measured at amortised cost and assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated further cash flows discounted at the original effective interest rates. The impairment loss is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The impairment reversal is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

**GRAFTON QUARTER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****1. Summary of significant accounting policies (continued)****1.7 Financial instruments (continued)****(ii) Financial liabilities**

Basic financial liabilities consist of creditors and are initially measured at transaction price. Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities as the accounts are prepared on a break-up basis. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.8 Fair value measurement**

Under section 11 of FRS 102, fair value is classified as one of the following:

**Level 1** – The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

**Level 2** – When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

**Level 3** – If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

There have been no transfers during the year between levels.

**1.9 Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other asset. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**1.10 Related party transactions**

The Company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Director, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

**1.11 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**GRAFTON QUARTER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****1. Summary of significant accounting policies (continued)****1.12 Critical accounting judgements, estimation and assumptions**

The Director's continually evaluate the estimates and assumptions concerning the future based on historical experience and adjusted for current market conditions and other factors. There have been no significant estimates, assumptions and judgements made within the accounts.

**2. Operating expenses**

	For the year ended 31 December 2019	For the year ended 31 December 2018
	£	£
Administration fees	7,267	6,432
Legal and professional fees	42,706	3,407
Audit Fees	5,106	4,000
	<u>55,079</u>	<u>13,839</u>

**3. Staff Costs**

The Company has no staff and no remuneration was paid to the directors during the year (2018: none)

**4. Taxation**

Profits arising in the Company are subject to UK Corporation Tax, currently at the rate of 19% (2018: 19%).

The tax amount of £277,282 for the year 2018 has been offset against group losses using group relief, thereby resulting in no tax change in the year 2018. As the Company is currently loss making and future taxable profits are not sufficiently probable, no provision for taxation is made in these financial statements.

**5. Investment in subsidiary**

On 13 June 2018 the Company sold its entire interest in GQPD LLP (92.00%). The Company recognised a gain on sale of £1,473,219 in the year ending 31 December 2018. During the year the Company has written-off an irrecoverable debt against the gain on sale. The registered address of GQPD LLP is 14 Berkeley Street, Mayfair, London, W1J 8DX, United Kingdom.

**6. Debtors**

	31 December 2019	31 December 2018
	£	£
Prepayments	-	1,127
Receivable from GQPD LLP sale	-	179,605
Amounts due from related party (Note 9)	5,830,715	5,668,614
	<u>5,830,715</u>	<u>5,849,346</u>

The above carrying value of debtors is equivalent to its fair value.

**GRAFTON QUARTER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****7. Creditors**

	31 December 2019	31 December 2018
	£	£
Trade payables	8,117	3,030
Amounts due to related party (Note 9)	76,268	29,838
Accrued expenses	10,230	7,795
	<u>94,615</u>	<u>40,663</u>

The above carrying value of creditors is equivalent to its fair value.

**8. Share Capital**

	31 December 2019	31 December 2018
	£	£
Issued and paid 4,375,000 ordinary shares of £1 each	4,375,000	4,375,000
	<u>4,375,000</u>	<u>4,375,000</u>

The holders of ordinary shares are entitled to vote as members at board meetings of the Company.

**9. Related party disclosure**

As at the period end date, Prime London Residential Development Jersey II Master Holding Limited owed £5,830,715 (2018: £5,668,614) to the Company in relation to GQPD LLP sale and this is included in amounts due from related party in Note 6.

During the year, PLRD II LP made payments on behalf of the Company totalling £46,430 (2018: £5,996). As at the year end £76,268 (2018: £29,838) was due to PLRD II LP and this is included in amounts due to related parties in Note 7.

**10. Contingencies and commitments**

As at 31 December 2019, the Directors are not aware of any possible obligations that may arise from past events.

**11. Ultimate controlling party**

The ultimate controlling party of the Company is the ultimate parent, PLRD II LP and its financial statements are available at 33 Margaret Street, London, W1G 0JD, United Kingdom.

The immediate parent of the Company is Prime London Residential Development Jersey II Master Holding Limited and its financial statements are available at Third Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 2LH, Channel Islands.

The smallest and largest entities that prepare consolidated accounts which includes this Company are PLRD II LP and its financial statements are available at 33 Margaret Street, London, W1G 0JD, United Kingdom.

**12. Subsequent events**

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the Board of Directors and there are no material events to be disclosed in these financial statements.

During December 2019, a new virus ("Covid-19") emerged in China and infections started to occur across Asia and latterly the rest of the world. On 11 March 2020, the World Health Organisation ("WHO") declared Covid-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy.

**GRAFTON QUARTER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**12. Subsequent events (continued)**

The full extent of the Covid-19 economic impact is currently uncertain and the Directors continue to closely monitor developments and their impact on the Fund and the Company. The Directors are in close contact with all of the Fund's and the Company's service providers to ensure the continuity of the Fund's and the Company's ongoing operations, assess liquidity, tenant obligations, lending arrangements and the basis for the values and estimates reported in the financial statements and accompanying notes.

We have assessed the impact on the financial statements as of 31 December 2019 and have concluded Covid-19 to be a non-adjusting event.