
GROSVENOR INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



GROSVENOR INVESTMENTS LIMITED

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GROSVENOR INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

The directors present their Annual Report on the affairs of Grosvenor Investments Limited (the 'Company') together with the financial statements for the year ended 31 December 2018.

BUSINESS REVIEW

The principal activity of the Company during the year was provision of property management services.

The Company is in a net asset and net current asset position and is profit making as at 31 December 2018.

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.

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 £8,014,134 to £9,293,334 during the year.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company arise from the investment and development of property, including the non-recovery of costs incurred on behalf of other Grosvenor group companies and related entities.

The Company is financed by equity and non-interest bearing intra group loans and has no external debt. It therefore has no interest rate exposure.

Currently there is both economic and political uncertainty as the outcome of Brexit is not yet known. The Company's profitability is largely linked to the performance of the London property market which could be negatively impacted by the eventual outcome, reducing the value of the Company's investment property over the next few years. Any decrease in the profitability of the Company in the next 12 months is not expected to impact the long term strategy of the Company.

The Company is a subsidiary of Grosvenor Limited (together with its subsidiaries the 'Group'). The Group co-ordinates its cash flows, liquidity position and borrowing facilities on a 'group' basis and further disclosures relating to these matters, including the impact of Brexit, are included in the Annual Report of Grosvenor Limited.

GROSVENOR INVESTMENTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

KEY PERFORMANCE INDICATORS

The directors of Grosvenor Limited manage its group operations on a divisional basis. For this reason, the Company's directors believe that further key financial and non-financial performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The performance of Grosvenor Limited, which includes the Company, is discussed in the directors' report in the annual report of that Company which does not form part of this report.

This report was approved by the board on 20 March 2019 and signed on its behalf.



C A Henderson
Director

GROSVENOR INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their Annual Report on the affairs of the Company together with the financial statements for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,279,200 (2017 - £1,079,856).

There were no dividends paid in the year (2017 - £1,500,000).

Please refer to the Strategic Report for information on risk management objectives and policies.

DIRECTORS

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

R F C Blundell
C A Henderson
K J Bailey
C McWilliam
N A Hughes
A C Bond (appointed 21 May 2018)
W R Bax (resigned 1 June 2018)
J E Mendonça (resigned 21 May 2018)
R A Jefferies
D N Crichton
S Harding-Roots
A M Staveley
P F O'Grady

FUTURE DEVELOPMENTS

Currently there is both economic and political uncertainty as the outcome of Brexit is not yet known. The Company's profitability is largely linked to the performance of the London property market which could be negatively impacted by the eventual outcome, reducing the value of the Company's investment property over the next few years. Any decrease in the profitability of the Company in the next 12 months is not expected to impact the long term strategy of the Company.

GROSVENOR INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 interpreted in accordance with s418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since 31 December 2018.

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 20 March 2019 and signed on its behalf.



D J Lewis
Company Secretary

GROSVENOR INVESTMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic Report, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR INVESTMENTS LIMITED

OPINION

In our opinion the financial statements of Grosvenor Investments Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- 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 these matters.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GROSVENOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR INVESTMENTS LIMITED (CONTINUED)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors 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.

AUDITOR'S 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 Auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

GROSVENOR INVESTMENTS LIMITED

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON OTHER MATTERS 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

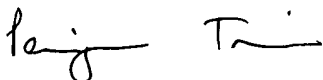
Under the Companies Act 2006 we are required to report in respect of the following matters, in our opinion:

- 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.

We have nothing to report in respect of these matters.

USE OF OUR REPORT

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.



Parizan Trewin FCA (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London
United Kingdom

20 March 2019

GROSVENOR INVESTMENTS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	20,870,418	21,240,136
Cost of sales		-	-
Gross profit		20,870,418	21,240,136
Administrative expenses		(19,587,009)	(20,158,155)
Impairment loss on trade and other receivables, including contract assets		(1,346)	-
Operating profit	4	1,282,063	1,081,981
Profit before tax		1,282,063	1,081,981
Tax on profit	7	(2,863)	(2,125)
Profit for the year		1,279,200	1,079,856

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement and as a result no statement of comprehensive income has been presented.

The notes on pages 12 to 23 form part of these financial statements.

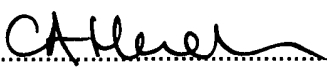
All activities in the current year and prior year are derived from continuing operations.

GROSVENOR INVESTMENTS LIMITED
REGISTERED NUMBER: 00542917

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Tangible fixed assets	9	-	50,121
		-	50,121
Current assets			
Debtors: amounts falling due within one year	10	9,359,488	8,034,111
		9,359,488	8,034,111
Creditors: amounts falling due within one year	11	(36,581)	(43,388)
Net current assets		9,322,907	7,990,723
Total assets less current liabilities		9,322,907	8,040,844
Provision for liabilities			
Deferred tax	12	(29,573)	(26,710)
Net assets		9,293,334	8,014,134
Capital and reserves			
Called up share capital	14	3,000,100	3,000,100
Retained earnings		6,293,234	5,014,034
		9,293,334	8,014,134

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2019.


C A Henderson
 Director

GROSVENOR INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2017	3,000,100	5,434,178	8,434,278
Profit for the year	-	1,079,856	1,079,856
Dividends paid	-	(1,500,000)	(1,500,000)
At 1 January 2018	3,000,100	5,014,034	8,014,134
Profit for the year	-	1,279,200	1,279,200
AT 31 DECEMBER 2018	3,000,100	6,293,234	9,293,334

The notes on pages 12 to 23 form part of these financial statements.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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' ("FRS 101") and the Companies Act 2006.

The financial statements have been prepared under the historical 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.

Historical 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 judgement in applying the Company's accounting policies (see note 2).

The Company is a wholly owned subsidiary of Grosvenor Limited, its ultimate parent undertaking, which is incorporated in Great Britain and registered in England and Wales and prepares consolidated financial statements. Consequently the Company is not required to prepare consolidated financial statements.

The following accounting policies have been applied:

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 the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- 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; and
 - paragraph 73(e) of IAS 16 'Property, Plant and Equipment'
- 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
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'.

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 15.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.3 CHANGES IN ACCOUNTING POLICIES

i) New standards, interpretations and amendments effective from 1 January 2018

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' with an effective date of 1 January 2018.

In accordance with the transitional provisions in IFRS 9 and IFRS 15 the new rules have been adopted cumulatively.

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 9 and IFRS 15.

ii) The following accounting policies apply to the measurement of financial assets and turnover from 1 January 2018

Turnover

The Company's revenue from contracts with customers, as defined in IFRS 15, includes service charges and other receivables from tenants, income from the provision of services including property management fees and fund management fees, proceeds of sales of its trading properties and development income.

The Company recognises revenue when a customer obtains control of the goods or services. The timing of the transfer of control – at a point in time or over time – requires judgement. Revenue is measured at the fair value of the consideration received or receivable. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded it is acting as principal in all of its revenue arrangements.

Revenue from service charges, other recoverables from tenants and income from the provision of services including property management fees and fund management fees are recorded as income over time in the period in which the services are rendered.

Revenue from development is recognised over time over the period of the contract in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due. Provision is made for anticipated development losses.

Debtors

Trade receivables, loans, contract assets and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for indicators of impairment at each balance sheet date.

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Company applied the simplified

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.4 TURNOVER

The turnover shown in the Income Statement represents property management fees receivable in the year, excluding VAT.

Turnover and profit before tax are attributable to the one principal activity of the Company and arise entirely in the United Kingdom.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

1.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Land and buildings are stated at fair value, with valuation gains and losses recognised in equity.

Depreciation is charged to the Income Statement in order to allocate the cost of assets and major components over their estimated useful lives, using the straight-line method.

Depreciation rate ranges applied are as follows:

Computer systems: 20%

The assets' useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.7 GOING CONCERN

The Strategic Report describes the going concern basis of preparation of the financial statements.

1.8 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.

1.9 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.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.10 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.

1.11 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.12 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.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING JUDGEMENTS 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 (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount 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 be different from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe that there are any significant accounting judgements or sources of estimation uncertainty that would result in a material difference to the accounts in the next 12 months.

3. TURNOVER

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

	2018 £	2017 £
Property management fees	20,870,418	21,240,136
	<u>20,870,418</u>	<u>21,240,136</u>

All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	50,121	58,918
Impairment loss on trade and other receivables, including contract assets	1,346	-
	<u>51,467</u>	<u>58,918</u>

GROSVENOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. 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:

	2018	2017
	£	£
Fees for audit services	5,334	5,080
	5,334	5,080

The audit fee is borne by Grosvenor Estate Management Limited, a fellow subsidiary undertaking.

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

6. 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.

GROSVENOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. TAXATION

The total current tax for the year was £nil (2017: £nil).

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	3,200	2,587
Changes to tax rates	(337)	(462)
Total deferred tax	<u>2,863</u>	<u>2,125</u>
Tax on profit	<u>2,863</u>	<u>2,125</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before tax	<u>1,282,063</u>	<u>1,081,981</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	243,592	208,281
Effects of:		
Expenses not deductible for tax purposes	9,523	-
Effect of tax rate change on deferred tax	(337)	(462)
Group relief received for no consideration	(244,561)	(205,694)
Other items attracting no tax relief or liability	(5,354)	-
Total tax charge for the year	<u>2,863</u>	<u>2,125</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2018. From 1 April 2020, the UK corporation tax rate will reduce to 17% (Finance Act 2016).

A deferred tax rate of 17% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2018.

GROSVENOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. DIVIDENDS

	2018	2017
	£	£
Dividends paid of nil (2017: 50p per share)	-	1,500,000
	<u>-</u>	<u>1,500,000</u>
	<u>-</u>	<u>1,500,000</u>

9. TANGIBLE FIXED ASSETS

	Computer Systems £
Cost	
At 1 January 2018	<u>250,604</u>
At 31 December 2018	<u>250,604</u>
Depreciation	
At 1 January 2018	<u>200,483</u>
Charge for the period	<u>50,121</u>
At 31 December 2018	<u>250,604</u>
At 31 December 2018	<u>-</u>
<i>At 31 December 2017</i>	<u>50,121</u>

GROSVENOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Amounts owed by group undertakings	9,226,192	7,939,953
Other debtors	-	25,678
Prepayments and accrued income	133,296	68,480
	<u>9,359,488</u>	<u>8,034,111</u>

There are no interest bearing amounts owed by group undertakings at 31 December 2018 (2017: £nil).

Amounts owed by group undertakings are repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	-	6,964
Accruals and deferred income	36,581	36,424
	<u>36,581</u>	<u>43,388</u>

GROSVENOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. DEFERRED TAXATION

	Deferred tax £
At 1 January 2018	(26,710)
Charged to the Income Statement	(2,863)
At 31 December 2018	(29,573)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Other property plant and equipment	(29,573)	(26,710)
	(29,573)	(26,710)

13. RESERVES

Retained earnings

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

Called up share capital

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

14. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
3,000,100 Ordinary shares of £1 each	3,000,100	3,000,100

The Company's shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

GROSVENOR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. CONTROLLING PARTY

The Company's ultimate parent undertaking is Grosvenor Group Limited, a company incorporated in United Kingdom 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.

The address of the registered office of Grosvenor Group Limited and Grosvenor Limited is 70 Grosvenor Street, London, W1K 3JP.