Registered number: 00542917

GROSVENOR INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

BUSINESS REVIEW

The principal activity of the Company during the year was provision of property management services. The Company is a subsidiary of Grosvenor Limited (together with its subsidiaries the 'Group').

The Company is in a net asset position of £4,728,778 (2020: £4,555,360) and in a net current asset position of £994,608 (2020: net current liabilities £306,677). The Company made a profit of £1,173,418 (2020: £1,048,271) as at 31 December 2021.

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 12 months from the date of signing the financial statements.

The Company as part of the wider Grosvenor Limited Group is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants.

A Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2023 has been completed. In particular, these forecasts consider the impact of Covid-19 on the Group's rental income and stressed assumptions on the availability of finance and property valuations. Having considered the economic factor outlined above, and on the basis of the Group's continued forecast liquidity and ongoing support for the Company, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future. As such the directors continue to consider preparation of the accounts on the going concern basis to the appropriate.

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:

• demand from occupiers which affects the amount of rent obtainable for buildings in the Company's market and the level of occupancy in its portfolio;

• supply of properties for rent in the Company's market;

• demand from investors which affects the valuation of investment properties;

• tenant default; and

• valuation of investment properties.

The Company is financed by equity and intra group loans.

SECTION 172(1) STATEMENT

Throughout the year the directors have performed their duty to promote the success of the company under section 172, taking consideration of:

- issues, factors and stakeholders relevant in complying with section 172(1)(a) to (f)
- main methods used to engage with stakeholders and to understand the issues to which they must have regard; and
- information on the effect of that regard on the company's decisions and strategies during the financial year and in the long term.

The Company's stakeholder engagement and strategic direction is set and managed by the Group, which directs the activities of the Grosvenor Limited subsidiaries on a co-ordinated basis.

The Grosvenor family has been associated with property in London for over 340 years. As a result of this heritage, the Board takes decisions for the long term and seeks to apply the highest levels of corporate conduct. The Board and the Group's Shareholder judge the success of the business based on the positive impact on the communities that we operate in whilst being mindful of the needs of future generations.

In order to protect and strengthen the long standing business reputation, enhance the brand and maintain a reputation for high standards of business conduct, the Group operates as a values led business, promoting our values of integrity, respect and trust all of the time with all our stakeholder community including employees, customers, partners, suppliers, funders, wider society and the Shareholder.

The Group seeks to optimise social and commercial outcomes for every investment and sets itself challenging environmental targets; aiming to enhance its reputation for social responsibility. To deliver its purpose effectively the Group, through its subsidiaries, implements an approach called Living Cities which combines a far-sighted, international perspective, with an intimate local knowledge of markets and communities:

- The Group seeks to learn from the past, in acting upon evidence-based research and in adopting a far-sighted perspective that responds to the socio-economic and demographic changes, environmental risks and disruptive technologies that pose significant urban challenges.
- Local expertise is promoted to foster a deep appreciation and understanding of local markets and the needs of local communities, working with them to implement bespoke and innovative solutions that are commercially successful and responsive to unique local circumstances.
- In implementing its activities, directly or in partnership with like-minded co-investment partners, the Group seeks to capture, distil and share knowledge, investing in its people to bring an international perspective which encourages innovation.

During the year the Group has worked to support its tenants and communities through the effects of the Covid-19 pandemic. Rent concessions were provided to our most affected tenants and we continue to support our places and communities to ensure that they emerge from the pandemic in a position to continue to thrive.

The Group's purpose is to improve properties and places to deliver lasting commercial and social benefit, with the community and environment forming the two key elements of social benefit as defined by our Shareholder. Consequently, building and maintaining effective stakeholder relationships is key to the success of the business, particularly in relation to developments where there is a strong focus on engaging with local communities and the planning authorities. The Group's commitment to the World Green Building Council, included a pledge to be net zero carbon in our operations by 2030 (within our directly owned and managed portfolio) and wholly net carbon zero by 2050 across all properties. The Group actively engages with its stakeholders on this commitment, for example requiring suppliers to sign up to its Supply chain Charter and in 2020 published its Net Zero Carbon Pathway.

SECTION 172(1) STATEMENT (CONTINUED)

As a Grosvenor company, our purpose is fully embedded in the way the Company operates, ranging from strategic planning, to individual transactions, to how the business engages with its suppliers, customers and other stakeholders. Further detail is contained in the Strategic Report of the Grosvenor Limited Group Report and Accounts for the year ended 31 December 2021. Please see note 15 for details of where a copy of these consolidated financial statements can be obtained.

KEY PERFORMANCE INDICATORS

The directors of Grosvenor Limited manage its group operations on a divisional basis. The consolidated performance of the Grosvenor Limited Group, which includes the Company, is discussed in the annual report of Grosvenor Limited which does not form part of this report.

For this reason, the Company's directors believe that further disclosure of key financial and non financial performance indicators for the Company are neither necessary nor appropriate for an understanding of the development, performance or position of the business of the Company.

This report was approved by the board on 17 March 2022 and signed on its behalf.

DocuSigned by:
Matthew Conway
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M J Conway
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Annual Report on the affairs of the Company together with the financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,173,418 (2020: £1,048,271).

There were dividends paid in the year £1,000,000 (2020: £4,000,000).

DIRECTORS

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

M J Conway (appointed 4 January 2022)
C A Henderson
S F Ball (resigned 31 December 2021)
D N Crichton
A M Bright (appointed 1 July 2021, resigned 11 March 2022)
P F O'Grady

FUTURE DEVELOPMENTS

As outlined in the on page 1 the Group continues to monitor the potential operational and financial impacts of the Covid-19 pandemic.

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 to 3. These matters relate to the business review, principal risks and uncertainties and financial key performance indicators.

BUSINESS RELATIONSHIPS

This is covered by the Section 172(1) Statement in the Strategic Report on page 2.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company is not required to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as it is a subsidiary entity. Disclosures at a Group level can be found in the Grosvenor Limited financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year ended 31 December 2021.

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 17 March 2022 and signed on its behalf.

DocuSigned by:
Derek Lewis
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D J Lewis
Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 they are 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 to 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 MEMBERS OF GROSVENOR INVESTMENTS LIMITED

REPORT ON OUR AUDIT OF THE FINANCIAL STATEMENTS

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 2021 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 16.

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" (United Kingdom Generally Accepted Accounting Practice).

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 (the 'FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

OTHER INFORMATION

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERD CAPABLE OF DETECTING IRREGULARILTIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS 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 or 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 if, in our opinion:

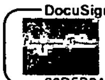
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

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.

DocuSigned by:



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Parizan Trewin FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom
17 March 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	*2020* £
Turnover	4	**18,965,149**	15,146,383
Cost of sales		**-**	-
Gross profit		**18,965,149**	15,146,383
Administrative expenses		**(17,777,447)**	(14,092,324)
Expected credit loss reversal against trade and other receivables, including contract assets	5	**-**	554
Operating profit	5	**1,187,702**	1,054,613
Profit before tax		**1,187,702**	1,054,613
Tax on profit	8	**(14,284)**	(6,342)
Profit for the year		**1,173,418**	1,048,271

There were no recognised gains and losses for 2021 or 2020 other than those included in the income statement and as a result no statement of comprehensive income has been presented.

The notes on pages 14 to 25 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 2021

	Note	2021 £	*Restated* *2020* £
FIXED ASSETS			
Debtors due after more than one year	9	**3,786,318**	4,899,901
		3,786,318	4,899,901
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	**994,608**	637,085
		994,608	637,085
Creditors: amounts falling due within one year	10	**-**	(943,762)
NET CURRENT ASSETS/(LIABILITIES)		**994,608**	(306,677)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,780,926**	4,593,224
Deferred taxation	12	**(52,148)**	(37,864)
		(52,148)	(37,864)
NET ASSETS		**4,728,778**	4,555,360
CAPITAL AND RESERVES			
Called up share capital	14	**3,000,100**	3,000,100
Retained earnings	13	**1,728,678**	1,555,260
		4,728,778	4,555,360

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2022.

DocuSigned by:
Matthew Conway
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M J Conway
Director

The notes on pages 14 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2020	3,000,100	4,506,989	7,507,089
Profit for the year	-	1,048,271	1,048,271
Dividends paid	-	(4,000,000)	(4,000,000)
At 1 January 2021	3,000,100	1,555,260	4,555,360
Profit for the year	-	1,173,418	1,173,418
Dividends paid	-	(1,000,000)	(1,000,000)
At 31 December 2021	3,000,100	1,728,678	4,728,778

The notes on pages 14 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

Grosvenor Investments Limited (the 'Company') is a private limited company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand pounds.

2. ACCOUNTING POLICIES

2.1 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.

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 3).

The following accounting policies have been applied:

2. ACCOUNTING POLICIES (CONTINUED)

2.2 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 requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 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.

2.3 TURNOVER

The turnover shown in the Income Statement represents project management fees 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 DEBTORS

Trade receivables, loans, contract assets and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income in 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 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.

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

Impairment provisions will be measured using the expected credit loss model which requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses under the simplified approach as these items do not have significant financing component.

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.

2.6 GOING CONCERN

The Strategic Report on page 1 describes the going concern basis of preparation of the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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.

2.8 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.

2.9 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, 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 critical accounting judgements or key sources of estimation uncertainty applied in the preparation of the financial statements.

4. TURNOVER

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

	2021	*2020*
	£	£
Property management fees	**18,965,149**	15,146,383
	18,965,149	15,146,383

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after crediting:

	2021	*2020*
	£	£
Expected credit loss reversal on trade and other receivables, including contract assets	-	(554)

6. AUDITOR'S REMUNERATION

	2021 £	*2020* £
Fees for audit services	**7,000**	6,500

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.

7. 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.

8. TAXATION

The total current tax for the year was £nil (2020: £nil).

	2021 £	*2020* £
DEFERRED TAX		
Origination and reversal of timing differences	**1,768**	2,157
Changes to tax rates	**12,516**	3,759
Adjustments for prior years	**-**	426
TOTAL DEFERRED TAX	**14,284**	6,342

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	*2020* £
Profit before tax	**1,187,702**	1,054,613
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**225,663**	200,376
EFFECTS OF:		
Effect of tax rate change on deferred tax	**12,516**	3,759
Adjustment in respect of prior years	**-**	427
Group relief received for no consideration	**(223,895)**	(198,220)
TOTAL TAX CHARGE FOR THE YEAR	**14,284**	6,342

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 2021. From 1 April 2023, the UK corporation tax will increase to 25% (Finance Act 2021).

A deferred tax rate of 25% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2021.

9. DEBTORS

	2021	*Restated* *2020*
	£	*£*
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	**3,786,318**	4,899,901
	3,786,318	4,899,901

Amount owed by Group undertakings are unsecured and repayable, however, the Directors consider it unlikely that repayment will arise in the short term and in practice amounts owed by Group undertaking are used to meet the capital requirements of the borrower with no realistic repayment in the near future. It is for this reason that the amounts are classified as amounts due after more than one year (note 16).

	2021	*Restated* *2020*
	£	*£*
DUE WITHIN ONE YEAR		
Trade debtors	**856,771**	503,213
Other debtors	**660**	-
Prepayments and accrued income	**137,177**	133,872
	994,608	637,085

There are no interest bearing amounts owed by group undertakings at 31 December 2021 (2020: £nil).

See note 16 for further details regarding the restatement of 31 December 2020 balance.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	*2020*
	£	*£*
Other creditors	-	943,762
	-	943,762

11. DIVIDENDS

	2021 £	*2020* *£*
Dividends paid	**1,000,000**	4,000,000
	1,000,000	4,000,000

12. DEFERRED TAX

	2021 £
At beginning of year	**(37,864)**
Charged to income statement	**(14,284)**
AT END OF YEAR	**(52,148)**

The provision for deferred taxation is made up as follows:

	2021 £	*2020* *£*
Other property plant and equipment	**(52,148)**	(37,864)
	(52,148)	(37,864)

13. RESERVES

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.

Non-distributable reserves
The reserve contains the balance of retained earnings to carry forward which are not available for distribution.

Distributable reserves
The reserve contains the balance of retained earnings to carry forward, being accumulated realised profits.

	Non-distributable	Distributable	Total
	£	£	£
At 1 January 2021	-	1,555,260	1,555,260
Profit for the year	-	1,173,418	1,173,418
Dividends paid	-	(1,000,000)	(1,000,000)
At 31 December 2021	-	1,728,678	1,728,678

14. CALLED UP SHARE CAPITAL

	2021	*2020*
	£	*£*
Allotted, called up and fully paid		
3,000,100 (2020 - 3,000,100) Ordinary shares of £1.00 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.

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 immediate 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.

16. PRIOR YEAR ADJUSTMENT

Reclassification of assets – The Company has previously treated amounts owed by Group undertakings which are repayable on demand as debtors falling due within one year. However these amounts should have been classified as debtors falling due after more than one year per IAS 1 Presentation of Financial Statements, as they are used to meet the capital requirements of the borrower with no realistic repayment expected in the near future. Such loans are, in effect, investments intended for use on a continuing basis in the lender company's activities and should therefore be classified as debtors falling due after more than one year.

The reclassification therefore resulted in the restatement of the balance as at 31 December 2020 of £4,899,901, for amounts owed by Group undertakings from debtors falling due within one year to debtors falling due after more than one year, with no impact to gross or net assets previously disclosed. There has been no impact to opening reserves or prior profit/(loss) for the period.