

**Grainger (Hornsey) Limited**  
**Unaudited financial statements**  
**30 September 2022**

WEDNESDAY



\*AC6028P7\*

A31

28/06/2023

#2

COMPANIES HOUSE

# **Grainger (Hornsey) Limited**

## **Financial statements**

**Year ended 30 September 2022**

<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2 to 3</b>
Statement of comprehensive income	<b>4</b>
Statement of financial position	<b>5</b>
Statement of changes in equity	<b>6</b>
Notes to the financial statements	<b>7 to 13</b>

# **Grainger (Hornsey) Limited**

## **Officers and professional advisers**

### **The board of directors**

Adam McGhin  
Helen C Gordon  
Michael P Keaveney  
Rob J Hudson

### **Company secretary**

Adam McGhin

### **Registered office**

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

### **Banker**

Barclays Bank plc  
Barclays House  
5 St Ann's Street  
Quayside  
Newcastle upon Tyne  
NE1 2BH

### **Solicitor**

Womble Bond Dickinson (UK) LLP  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

# **Grainger (Hornsey) Limited**

## **Directors' report**

**Year ended 30 September 2022**

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2022.

### **Principal activities**

The principal activity of the company during the year was property development and trading. The directors do not recommend the payment of a dividend (2021: £nil).

### **Directors**

The directors who served the company during the year were as follows:

Adam McGhin  
Helen C Gordon  
Michael P Keaveney  
Rob J Hudson (Appointed 25 March 2022)

### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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;
- 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.

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 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.

# **Grainger (Hornsey) Limited**


**Directors' report** *(continued)*

**Year ended 30 September 2022**

## **Small company provisions**

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

This report was approved by the board of directors on 26 June 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Adam McGhin'.

Adam McGhin  
Company Secretary

# Grainger (Hornsey) Limited

## Statement of comprehensive income

Year ended 30 September 2022

	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	<b>26,823</b>	26,902
Cost of sales		<u>(883)</u>	<u>(30,703)</u>
<b>Gross profit/(loss)</b>		<b>25,940</b>	(3,801)
Administrative expenses		<u>(8,860,380)</u>	<u>(4,460)</u>
<b>Operating loss</b>		<b>(8,834,440)</b>	(8,261)
<b>Loss before taxation</b>		<b>(8,834,440)</b>	(8,261)
Tax on loss	<b>6</b>	<u>1,678,544</u>	<u>1,570</u>
<b>Loss for the financial year and total comprehensive loss</b>		<b><u>(7,155,896)</u></b>	<b><u>(6,691)</u></b>

All the activities of the company are from continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

# Grainger (Hornsey) Limited

## Statement of financial position

30 September 2022

	Note	2022 £	2021 £
<b>Current assets</b>			
Stocks	7	491,333	449,590
Debtors	8	9,284	600,381
		<u>500,617</u>	<u>1,049,971</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(487,496)</u>	<u>(1,880,954)</u>
<b>Net current assets/(liabilities)</b>		<u>13,121</u>	<u>(830,983)</u>
<b>Total assets less current liabilities</b>		<u>13,121</u>	<u>(830,983)</u>
<b>Provisions</b>			
Other provisions	10	<u>(8,000,000)</u>	<u>—</u>
<b>Net liabilities</b>		<u>(7,986,879)</u>	<u>(830,983)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,076,902	2,076,902
Profit and loss account	12	<u>(10,063,781)</u>	<u>(2,907,885)</u>
<b>Shareholders' deficit</b>		<u>(7,986,879)</u>	<u>(830,983)</u>

For the year ending 30 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of directors and authorised for issue on 26 June 2023, and are signed on behalf of the board by:



Adam McGhin  
Director

Company registration number: 04810257

The notes on pages 7 to 13 form part of these financial statements.

# Grainger (Hornsey) Limited

## Statement of changes in equity

Year ended 30 September 2022

	Called up share capital £	Profit and loss account £	<b>Total £</b>
<b>At 1 October 2020</b>	2,076,902	(2,901,194)	(824,292)
Loss for the year	—	(6,691)	(6,691)
<b>Total comprehensive loss for the year</b>	—	(6,691)	(6,691)
<b>At 30 September 2021</b>	2,076,902	(2,907,885)	<b>(830,983)</b>
Loss for the year	—	(7,155,896)	<b>(7,155,896)</b>
<b>Total comprehensive loss for the year</b>	—	(7,155,896)	<b>(7,155,896)</b>
<b>At 30 September 2022</b>	<u>2,076,902</u>	<u>(10,063,781)</u>	<u><b>(7,986,879)</b></u>

The notes on pages 7 to 13 form part of these financial statements.



# **Grainger (Hornsey) Limited**

## **Notes to the financial statements**

**Year ended 30 September 2022**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

### **2. Statement of compliance**

The financial statements of Grainger (Hornsey) Limited ("the company") for the year ended 30 September 2022 were authorised for issue by the board of directors on 26 June 2023 and the statement of financial position was signed on the board's behalf by Adam McGhin.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The company's ultimate parent undertaking, Grainger plc, includes the company in its consolidated financial statements. The consolidated financial statements of Grainger plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the year.

# Grainger (Hornsey) Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2022

### 3. Accounting policies *(continued)*

#### Going concern

Notwithstanding net liabilities of £7,986,879 as at 30 September 2022 and a loss for the year then ended of £7,155,896, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a subsidiary of Grainger plc. The directors of Grainger plc, the ultimate parent undertaking, manage the group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Grainger plc operating segment level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

On a consolidated basis, the Group has assessed its future funding commitments and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe sensitivities have been applied to the key factors affecting financial performance of the Group. The assessment includes the potential impact of reduced PRS occupancy, contraction in rental levels, reduced property valuations, cost inflation and changes in interest rates. The Directors of the Group have a reasonable expectation that it has adequate resources to continue operating for the foreseeable future period, and not less than 12 months from the date of approval of these financial statements.

Grainger plc has indicated that it will make available such funds as are needed by the entity and that it does not intend to seek repayment of amounts due at the balance sheet date for the foreseeable future. As with any entity placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. The directors do not intend to nor have they identified any circumstances which may lead to the entity being liquidated or to cease operating.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

# Grainger (Hornsey) Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2022

### 3. Accounting policies *(continued)*

#### **Disclosure exemptions**

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- (a) Cash flow statement and related notes;
- (b) Comparative period reconciliations for share capital;
- (c) Disclosures in respect of capital management;
- (d) The effects of new but not yet effective IFRSs;
- (e) Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Grainger plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: Disclosures.

The company has considered the impact of the adoption of those new and revised International Financial Reporting Standards and interpretations that were effective for the first time from 1 October 2021. There has been no material impact on the company following the adoption of these standards.

#### **Revenue recognition**

Turnover comprises gross rentals, exclusive of VAT. Gross rentals are recognised on a straight line basis over the lease term on an accruals basis.

#### **Income tax**

The taxation charge for the year represents the sum of the tax currently payable and deferred tax. The charge is recognised in the statement of comprehensive income according to the accounting treatment of the related transaction.

Current tax payable or receivable is based on the taxable income for the period and any adjustment in respect of prior periods and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Tax payable upon the realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred tax.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will give rise to a future tax liability against which the deferred tax assets can be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# Grainger (Hornsey) Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2022

### 3. Accounting policies *(continued)*

#### **Stocks**

Development properties and development land are shown in the financial statements at the lower of cost and net realisable value. Cost includes legal and surveying charges incurred during the acquisition plus improvement costs. Net realisable value is calculated based on whether the land or property is to be sold in its current condition or whether it will be subject to further development. Where the land or property is to be further developed, net realisable value is based on the future expected value. Where the land or property is to be sold in its current condition, net realisable value is based on current market value.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, loans and borrowings, and trade and other creditors.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The judgements, estimates and assumptions that the directors consider to be most significant to the financial statements relate to the valuation of stocks and are detailed at note 7.

#### **Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 4. Turnover

Turnover arises from:

	2022	2021
	£	£
Rental income	26,823	26,902

The total turnover of the company has been derived from its principal activity wholly undertaken in the UK as defined in the directors' report.

### 5. Employee costs

There are no persons holding service contracts with the company (2021: none). None of the directors received any remuneration from the company during the year, or in the previous year, in respect of their services to the company.

# Grainger (Hornsey) Limited

## Notes to the financial statements (continued)

Year ended 30 September 2022

### 6. Tax on loss

#### Major components of tax income

	2022 £	2021 £
<b>Current tax:</b>		
UK current tax income	(1,678,544)	(1,570)
<b>Tax on loss</b>	<b>(1,678,544)</b>	<b>(1,570)</b>

There is no unrecognised deferred tax asset in these financial statements.

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is the same as (2021: the same as) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Loss on ordinary activities before taxation	(8,834,440)	(8,261)
Loss on ordinary activities by rate of tax	(1,678,544)	(1,570)

#### Factors that may affect future tax income

No provisions have been made for tax that would have become payable if the company's properties had been sold at their year end replacement values. The total unprovided deferred tax in respect of this is £65,154 (2021: £75,590).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) has been enacted. This will increase the company's future current tax charge accordingly. Deferred tax at 30 September 2022 has been measured at 25% (2021: 25%).

### 7. Stocks

	2022 £	2021 £
Trading properties	491,333	449,590

The replacement value of stock is £751,950 (2021: £751,950) based on market value at 30 September 2022, as assessed by external experts.

The directors have reviewed the net realisable value of the development. They have concluded that the net realisable value exceeds the book cost of the properties and therefore no provision against the carrying value of stock is required.

### 8. Debtors

	2022 £	2021 £
Trade debtors	–	42,258
Other debtors	9,284	558,123
	<b>9,284</b>	<b>600,381</b>

# Grainger (Hornsey) Limited

## Notes to the financial statements *(continued)*

Year ended 30 September 2022

### 9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	18,017	–
Amounts owed to group undertakings	462,683	1,874,157
Accruals and deferred income	6,796	6,797
	<u>487,496</u>	<u>1,880,954</u>

The amount owed to group undertakings is unsecured, is repayable on demand, and does not bear interest.

### 10. Provisions

	Other provisions
	£
At 1 October 2021	–
Additions	8,000,000
<b>At 30 September 2022</b>	<b><u>8,000,000</u></b>

Other provisions relate to ongoing fire risk assessments and fire safety works across the portfolio and are based on current best estimates given potential outcomes and uncertainties.

### 11. Called up share capital

#### Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,076,902</u>	<u>2,076,902</u>	<u>2,076,902</u>	<u>2,076,902</u>

### 12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 13. Operating leases

#### As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	26,902	26,902
Later than 1 year and not later than 5 years	107,608	107,608
Later than 5 years	2,866,750	2,893,652
	<u>3,001,260</u>	<u>3,028,162</u>

# **Grainger (Hornsey) Limited**

## **Notes to the financial statements *(continued)***

**Year ended 30 September 2022**

### **14. Related party transactions**

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Grainger plc group.

### **15. Ultimate parent undertaking and controlling party**

*The directors regard Grainger plc, a company registered in England and Wales, as the ultimate parent undertaking and the ultimate controlling party, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Grainger plc consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.*

GIP Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.