

Grainger Land & Regeneration Limited
Financial statements
30 September 2018



Grainger Land & Regeneration Limited

Financial statements

Year ended 30 September 2018

Contents	Pages
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the members of Grainger Land & Regeneration Limited	4 to 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 to 17

Grainger Land & Regeneration Limited

Officers and professional advisers

The board of directors	Vanessa K Simms Adam McGhin Helen C Gordon Andrew P Saunderson Michael P Keaveney
Company secretary	Adam McGhin
Registered office	Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Auditor	KPMG LLP Chartered accountants & statutory auditor 15 Canada Square Canary Wharf London E14 5GL
Bankers	Barclays Bank plc Barclays House 5 St Ann's Street Quayside Newcastle upon Tyne NE1 2BH
Solicitors	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

Grainger Land & Regeneration Limited

Directors' report

Year ended 30 September 2018

The directors present their report and the financial statements of the company for the year ended 30 September 2018.

Principal activities

The principal activity of the company during the year was that of property investment. The directors do not recommend the payment of a dividend (2017: £nil).

Directors

The directors who served the company during the year, and subsequent to the year end, were as follows:

Vanessa K Simms	
Adam McGhin	
Helen C Gordon	
Andrew P Saunderson	(Appointed 2 January 2018)
Nicholas M F Jopling	(Resigned 20 December 2017)
Michael P Keaveney	(Appointed 13 March 2019)

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 Land & Regeneration Limited

Directors' report *(continued)*

Year ended 30 September 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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 13 June 2019 and signed on behalf of the board by:



Adam McGhin
Company Secretary

Independent auditor's report to the members of Grainger Land & Regeneration Limited

Opinion

We have audited the financial statements of Grainger Land & Regeneration Limited ("the company") for the year ended 30 September 2018 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, see note 3, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Independent auditor's report to the members of Grainger Land & Regeneration Limited
(continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Grainger Land & Regeneration Limited
(continued)

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Bill Holland (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
18 June 2019

Grainger Land & Regeneration Limited

Statement of comprehensive income

Year ended 30 September 2018

	Note	2018 £	2017 £
Turnover	4	1,456,511	3,700,140
Cost of sales		<u>(368,554)</u>	<u>(1,254,616)</u>
Gross profit		1,087,957	2,445,524
Administrative expenses		<u>(557,874)</u>	<u>(92,578)</u>
Fair value gain on investment property	6	<u>2,032,550</u>	<u>4,967,982</u>
Operating profit	5	2,562,633	7,320,928
Other interest receivable and similar income	7	<u>331</u>	<u>–</u>
Interest payable and similar expenses	8	<u>(4,280,592)</u>	<u>(3,051,557)</u>
(Loss)/profit before taxation		(1,717,628)	4,269,371
Tax on (loss)/profit	9	<u>1,568,255</u>	<u>(641,552)</u>
(Loss)/profit for the financial year and total comprehensive (loss)/income		<u>(149,373)</u>	<u>3,627,819</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Grainger Land & Regeneration Limited

Statement of financial position

30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Investment property	10	134,981,832	109,121,297
Current assets			
Debtors	11	2,895,533	338,018
Creditors: amounts falling due within one year	12	(131,996,333)	(102,589,888)
Net current liabilities		<u>(129,100,800)</u>	<u>(102,251,870)</u>
Total assets less current liabilities		5,881,032	6,869,427
Provisions			
Deferred tax	13	(522,344)	(1,361,366)
Net assets		<u>5,358,688</u>	<u>5,508,061</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account	16	5,358,687	5,508,060
Shareholders' funds		<u>5,358,688</u>	<u>5,508,061</u>

These financial statements were approved by the board of directors and authorised for issue on 13 June 2019, and are signed on behalf of the board by:



Adam McGhin
Director

Company registration number: 05245541

The notes on pages 10 to 17 form part of these financial statements.

Grainger Land & Regeneration Limited

Statement of changes in equity

Year ended 30 September 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2016	1	1,880,241	1,880,242
Profit for the year	–	3,627,819	3,627,819
Total comprehensive income for the year	–	3,627,819	3,627,819
At 30 September 2017	1	5,508,060	5,508,061
Loss for the year	–	(149,373)	(149,373)
Total comprehensive loss for the year	–	(149,373)	(149,373)
At 30 September 2018	<u>1</u>	<u>5,358,687</u>	<u>5,358,688</u>

The notes on pages 10 to 17 form part of these financial statements.

Grainger Land & Regeneration Limited

Notes to the financial statements

Year ended 30 September 2018

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 Land & Regeneration Limited ("the company") for the year ended 30 September 2018 were authorised for issue by the board of directors on 13 June 2019 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, modified to include the revaluation of certain fixed assets, 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.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the company's net current liabilities of £129,100,800, which the directors believe to be appropriate for the following reasons.

The directors have not prepared any detailed cash flow forecasts for this company on a standalone basis but the company is included in a cash flow forecast for the wider Grainger plc group for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the wider Grainger plc group will have sufficient funds to meet its liabilities as they fall due for that period.

Considering this company on a standalone basis, its ability to continue to trade is dependent on its ultimate parent, Grainger plc, not seeking repayment of the amounts currently owed by the company, which at 30 September 2018 amounted to £125,686,521. Grainger plc has indicated that it and its subsidiaries do not intend to seek repayment of these amounts for at least 12 months from the date of approval of these financial statements, and that they will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As with any company 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. 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 consequently have prepared the financial statements on a going concern basis.

Grainger Land & Regeneration Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2018

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.

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 Land & Regeneration Limited

Notes to the financial statements (continued)

Year ended 30 September 2018

3. Accounting policies (continued)

Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available, the company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Subsequent expenditure is included in the carrying amount of the property when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains or losses arising from changes in the fair value of the company's investment properties are included in the statement of comprehensive income of the period in which they arise.

This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, investment properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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 investment properties and are detailed at note 10.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Rental income	<u>1,456,511</u>	<u>3,700,140</u>

Grainger Land & Regeneration Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2018

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Audit fees of £2,400 (2017: £2,100) are statutory audit fees only and are borne by another group company.

There are no persons holding service contracts with the company (2017: 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.

6. Fair value gain on investment property

	2018 £	2017 £
Fair value gain on investment property	<u>2,032,550</u>	<u>4,967,982</u>

7. Other interest receivable and similar income

	2018 £	2017 £
Other interest receivable and similar income	<u>331</u>	<u>—</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Interest due to group undertakings	<u>4,280,592</u>	<u>3,051,557</u>

9. Tax on (loss)/profit

Major components of tax (income)/expense

	2018 £	2017 £
Current tax:		
UK current tax income	(729,233)	(203,005)
Deferred tax:		
Origination and reversal of timing differences	<u>(839,022)</u>	<u>844,557</u>
Tax on (loss)/profit	<u>(1,568,255)</u>	<u>641,552</u>

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

Grainger Land & Regeneration Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2018

9. Tax on (loss)/profit *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.50%).

	2018 £	2017 £
(Loss)/profit on ordinary activities before taxation	(1,717,628)	4,269,371
(Loss)/profit on ordinary activities by rate of tax	(326,349)	832,527
Adjustment to tax charge in respect of prior periods	113	–
Effect of capital allowances and depreciation	(16,812)	(41,803)
Impact of tax rate changes	(40,652)	(124,199)
Non taxable credit	–	(24,973)
Disposal of investment properties	(1,184,555)	–
Tax on (loss)/profit	(1,568,255)	641,552

Factors that may affect future tax income

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) has been substantively enacted. This will reduce the company's future current tax charge accordingly.

10. Investment property

	Investment property £
Cost or valuation	
At 1 October 2017	109,121,297
Additions	88,525,531
Disposals	(64,697,546)
Revaluations	2,032,550
At 30 September 2018	134,981,832
Carrying amount	
At 30 September 2018	134,981,832
At 30 September 2017	109,121,297

Grainger Land & Regeneration Limited

Notes to the financial statements (continued)

Year ended 30 September 2018

10. Investment property (continued)

The company's investment properties have been valued at their open market value at 30 September 2018 by Grainger plc's in-house qualified Chartered Surveyors and the valuations were reviewed and approved by the group's directors. A structured sample of the in-house valuations was reviewed by Allsop LLP, Chartered Surveyors, independent of the company. Allsop LLP has provided the group's directors with the following opinion on the valuation of the investment property: "Property held in the Residential Portfolio was valued as at 30 September 2018 by Grainger's in-house surveyors. These valuations were reviewed and approved by the Directors. Allsop LLP has undertaken a comprehensive review of the Directors' Valuation and they are satisfied with the process by which the in-house valuations were conducted. Allsop LLP valued approximately 80% of the Residential Portfolio, independently of the Group. Based on the results of that review, Allsop LLP has concluded that they have a high degree of confidence in those Directors' Valuations."

The valuations represent estimates of the open market value of the properties subject to the tenancies then existing. The historical cost of these properties is £131,909,218 (2017: £101,113,264).

11. Debtors

	2018 £	2017 £
Trade debtors	149,957	240,099
Prepayments and accrued income	8,961	77,680
Other debtors	2,736,615	20,239
	<u>2,895,533</u>	<u>338,018</u>

12. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	44,154	147,268
Amounts owed to group undertakings	125,686,521	101,470,518
Accruals and deferred income	6,237,908	543,235
Other creditors	27,750	428,867
	<u>131,996,333</u>	<u>102,589,888</u>

Included within amounts owed to group undertakings is an amount of £110,842,052 (2017: £75,535,430), which is unsecured, is repayable on demand and bears interest at a weighted rate of 3.73% (2017: 3.91%). Interest payable and similar charges for the year amounted to £4,280,592 (2017: £3,051,557). All other amounts are unsecured, are repayable on demand, and do not bear interest.

13. Provisions

	Deferred tax (note 14) £
At 1 October 2017	1,361,366
Charge against provision	(839,022)
At 30 September 2018	<u>522,344</u>

Grainger Land & Regeneration Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2018

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in provisions (note 13)	<u>522,344</u>	<u>1,361,366</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Fair value adjustment of investment property	<u>522,344</u>	<u>1,361,366</u>

15. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

16. Reserves

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

17. Operating leases

As lessor

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

	2018 £	2017 £
Not later than 1 year	1,699	108,511
Later than 1 year and not later than 5 years	64	114,066
Later than 5 years	—	9,428
	<u>1,763</u>	<u>232,005</u>

18. Contingent liabilities

At 30 September 2018 the company, together with certain of its fellow subsidiaries, has guaranteed the £350,000,000 (2017: £275,000,000) corporate bond issued by Grainger plc, together with bank loans of £390,890,631 (2017: £501,167,944) of certain fellow subsidiaries by means of a legal charge over its assets and book debts. Details of the debt repayment profile are shown in the statutory financial statements of the ultimate parent undertaking, Grainger plc.

19. 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.

Grainger Land & Regeneration Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2018

20. 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.

Grainger Housing & Developments Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.