

2-10 MORTIMER STREET GP LIMITED
Registered in England and Wales No: 07458495

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**



2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Contents

	Page
<i>Directors, Officers and Other Information</i>	<i>1</i>
<i>Directors' Report</i>	<i>2-5</i>
<i>Independent Auditor's Report to the Directors of 2-10 Mortimer Street GP Limited</i>	<i>6-8</i>
<i>Statement of Comprehensive Income</i>	<i>9</i>
<i>Statement of Changes in Equity</i>	<i>10</i>
<i>Statement of Financial Position</i>	<i>11</i>
<i>Notes to the Financial Statements</i>	<i>12-19</i>

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Directors, Officers and Other Information

Directors:

P A Ferrari
C-E Lawrence
T A Smithers
N J Gardiner
I C L Ebbs (appointed 28 February 2022)
D A Diemer (resigned 28 February 2022)

Officer – Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 07458495

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Directors' Report

For the year ended 31 December 2022

The Directors present their report and financial statements for 2-10 Mortimer Street GP Limited (the "Company") for the year ended 31 December 2022.

Results and dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £nil). The profit for the Company for 2022 was £2,361 (2021: £1,521).

Directors

The current Directors of the Company and those in office throughout the year, except as noted, are as follows:

P A Ferrari
C-E Lawrence
T A Smithers
N J Gardiner
I C I. Ebbs (appointed 28 February 2022)
D A Diemer (resigned 28 February 2022)

Principal activity of the Company

The principal activity of the Company is to act as the General Partner of 2-10 Mortimer Street Limited Partnership (the "Partnership"). The Company also has a 0.01% interest in the Partnership. The Directors consider that this will continue to remain unchanged into the foreseeable future.

Review of the Company's business

The Company continued to act as the General Partner to the Partnership.

Future outlook

The directors aim to maintain the management policies which have resulted in the Company's current position. The Directors consider that this will continue for the foreseeable future.

Risk management policies

The Company holds a capital investment in the Partnership of 0.01% and is entitled to a distribution of 0.01% of the Net Income available for distribution from the Partnership. The principal risk therefore is the performance of the Partnership which the Directors monitor regularly.

Principal risks and uncertainties

The key risks arising in the Partnership are market, credit, operational and liquidity risks which are discussed in more detail below.

The Aviva Group's approach to risk and capital management

The Aviva Investors Global Services Limited (the "Fund Manager") operates within the overall Aviva Group governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and the Aviva Executive Committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). The management of the Company's risk falls within the mandate of the Fund Manager.

Management of financial and non-financial risks

The Company's exposure to different types of risk is limited by the nature of its business as follows:

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Directors' Report

For the year ended 31 December 2022 (continued)

Market risk

The Company's exposure to market risk takes the form of property valuations, which have a direct impact on the value of the Partnership's investments. Market risk is managed by ongoing proactive asset management. The management of this risk falls within the mandate of the Fund Manager which makes and manages investments on behalf of the Company.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has no significant concentrations of credit risk.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review.

Cash at bank is held with financial institutions with good credit ratings.

Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited which manages and administers the Company's activities.

Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business.

Employees

The Company had no employees during the year (2021: none).

Going concern

As at 31 December 2022 the Company had net current assets of £7,405 (2021: £5,044). The Directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Company will have sufficient funds, through support from 2-10 Mortimer Street Limited Partnership to meet its liabilities as they fall due for that period.

The Directors have reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and on this basis, the Directors have adopted the going concern basis in preparing these financial statements.

Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors. No events that would have a material impact on the financial statements have been identified.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Directors' Report

For the year ended 31 December 2022 (continued)

Independent Auditor

It is the intention of the Directors to reappoint BDO LLP under the deemed appointment rules of Section 487 of the Companies Act 2006.

Disclosure of information to the independent auditors

Each person who was a Director of the Company on the date that this report was approved, confirms that:

- (a) so far as the Director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- (b) each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of Directors' Responsibilities

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

This report has been prepared in accordance with the special provisions relating to small companies within part 415(A) of the Companies Act 2006.


2 10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Directors' Report

For the year ended 31 December 2022 (continued)

Statement of Directors' Responsibilities (continued)

By order of the Board on 08 August 2023

DocuSigned by:

AA43F6718D294B5

I C L Ebbs
Director
St Helen's
1 Undershaft
London
EC3P 3DQ

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Independent Auditor's Report to the Directors of 2-10 Mortimer Street GP Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 2-10 Mortimer Street GP Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Independent Auditors' Report

For the year ended 31 December 2022 (continued)

Other information (continued)

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.

Other Companies Act 2006 Reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Independent Auditors' Report For the year ended 31 December 2022 (continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

Extent to which the audit was capable of detecting irregularities, 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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.

Our procedures included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. Challenging assumptions and judgements made by management in their significant accounting estimates. In response to the risk of management override of controls we identified and tested journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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:

Chris Young

A69F3BF7808C49C

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

11 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

2-10 Mortimer Street GP Limited
Registered in England and Wales: No.07458495

Statement of Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 £	2021 £
Revenue	5	3,851	3,657
Administrative expenses	6	(1,490)	(1,887)
Profit on ordinary activities before taxation		2,361	1,770
Finance costs			
Interest receivable		-	-
Profit before tax		2,361	1,770
Tax on profit on ordinary activities	7	(366)	(249)
Profit for the financial year		1,995	1,521
Total comprehensive income for the financial year		1,995	1,521

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2022 and 31 December 2021 relate to continuing operations.

The notes on pages 13 to 20 form an integral part of these financial statements.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Statement of Changes in Equity
For the year ended 31 December 2022

	Called up share capital £	Retained earnings £	Total £
At 1 January 2021	100	3,441	3,541
Total comprehensive income for the financial year	-	1,521	1,521
At 31 December 2021	100	4,962	5,062
At 1 January 2022	100	4,962	5,062
Total comprehensive income for the financial year	-	1,995	1,995
At 31 December 2022	100	6,957	7057

The notes on pages 13 to 20 form an integral part of these financial statements.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

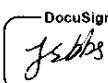
Statement of Financial Position

As at 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Investments	8	18	18
		18	18
Current assets			
Debtors: amounts falling due within one year	9	4,898	5,273
Cash at bank and in hand	10	7,846	5,753
		12,744	11,026
Creditors: amounts falling due within one year	11	(5,705)	(5,982)
Net current assets		7,039	5,044
Total assets less current liabilities		7,057	5,062
Net assets		7,057	5,062
Capital and reserves			
Called up share capital	12	100	100
Retained earnings		6,957	4,962
Total shareholders' equity		7,057	5,062

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 and authorised for issue by the Board of Directors on 08 August 2023 and were signed on its behalf by

DocuSigned by:

 J. Ebbes
 Director

The notes on pages 13 to 20 form an integral part of these financial statements.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements

For the year ended 31 December 2022

1. General information

2-10 Mortimer Street GP Limited acts as the general partner to 2-10 Mortimer Street Limited Partnership (the "Partnership").

The Company is registered as a private company limited by its shares and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ. The Company is domiciled in the United Kingdom.

2. Statement of compliance

The individual financial statements of 2-10 Mortimer Street GP Limited have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the exemptions under Section 400 of the Companies Act 2006 not to prepare group financial statements as it and its subsidiaries are included in the consolidated financial statements of Norwich Union (Shareholder GP) Limited.

Strategic report

A strategic report has not been included in these financial statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies Act 2006 relating to small entities.

Going concern

As at 31 December 2022 the Company had net current assets of £7,405 (2021: 5,044). The Directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Company will have sufficient funds, through support from 2-10 Mortimer Street Limited Partnership to meet its liabilities as they fall due for that period.

The Directors have reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and on this basis, the Directors have adopted the going concern basis in preparing these financial statements.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Accounting policies (continued)

Cash flow statement

The Company has taken advantage of the Section 1A exemption.

Investment in the Partnership

Investment in the Partnership is held at cost, subject to an annual impairment review.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are held at cost, subject to an annual impairment review.

Debtors and other current assets

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

Current liabilities

Other payables are initially recognised and carried at transaction price plus attributable transaction costs. Where the time value of money is material the payables are carried at amortised cost.

Financial instruments

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

(i) Financial assets

Financial assets are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Basic financial assets, including trade and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are subsequently carried at amortised cost.

(ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial liabilities, including other payable and amounts due to related parties are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). Financial liabilities are subsequently carried at amortised cost.

Cash at bank and in hand

Cash at bank and in hand comprises cash balances held with banks.

Administrative expenses

Administrative expenses include administration, finance and management expenses.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Accounting policies (continued)

Taxation

The tax charge in the Statement of Comprehensive Income is based on the taxable losses for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material timing differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The principal temporary differences arise from the creation of current year taxation losses. The rates enacted or substantively enacted at the Statement of Financial Position date are used to determine the deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the timing differences can be utilised.

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

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.

There were no significant judgements made in 2022 or 2021.

5. Revenue

	2022	2021
	£	£
Income distribution from 2-10 Mortimer Street Limited Partnership	1,830	1,836
Priority distribution from 2-10 Mortimer Street Limited Partnership	2,021	1,821
	<u>3,851</u>	<u>3,657</u>

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

6. Profit on ordinary activities before taxation

Fees payable to the auditors for the audit of the Company's Financial Statements for the year amounting to £1,328 (2021: £1,125) are settled by the Partnership.

Administrative expenses

	2022 £	2021 £
Fees payable to the auditor for the audit of the Company's financial statements	1,328	1,125
Tax Fees	120	721
Bank charges	42	41
	<u>1,490</u>	<u>1,887</u>

In the current year the Directors received no emoluments from the Company for services to the Company for the year (2021: £nil). The Company had no employees during the year (2021: none).

7. Tax on profit on ordinary activities

The total tax charge comprises:

	2022 £	2021 £
Current tax		
UK Corporation tax on profit for the year	366	249
Adjustments in respects of prior periods	-	-
Total current tax charge	<u>366</u>	<u>249</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax charge on profit on ordinary activities	<u>366</u>	<u>249</u>

(a) Tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,361</u>	<u>1,770</u>
Tax calculated at standard UK corporation tax rate of 19% (2021: 19%)	449	336
Effect of:		
Share of partnership taxable profits	649	608
Non taxable income	(732)	(695)
Tax charge on ordinary activities for the year	<u>366</u>	<u>249</u>

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. Tax on profit on ordinary activities (continued)

(b) Deferred tax

At 31 December 2022 the Company had no unrecognised deferred tax assets to carry forward indefinitely against future taxable income.

During 2020, the reduction in the UK corporation tax rate that was due to take effect from 1 April 2020 was cancelled and as a result, the rate has remained at 19%. There is no impact on the Company's net assets as a consequence of this amendment.

In the Budget of 3 March 2021 the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2022, this measure had not been substantively enacted and therefore no impact is reflected in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2022. There is no impact on the Company's net assets as a consequence of this amendment.

8. Investments

a) Investments in Partnership

	2022	2021
	£	£
Cost		
Balance as at 1 January	10	10
Balance as at 31 December	<u>10</u>	<u>10</u>

Details of the principal associates at the year end are as follows:

Investments in associated companies	% Interest held	Nature of business	Address
2-10 Mortimer Street Limited Partnership	0.01%	Developing property in the United Kingdom	St Helen's 1 Undershaft London EC3P 3DQ

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Investments (continued)

b) Investments in Subsidiary undertakings

	2022	2021
	£	£
Shares at cost		
Balance as at 1 January	8	8
Balance as at 31 December	8	8

Subsidiary undertakings	% Ordinary shares held	Nature of business	Address
2-10 Mortimer Street (GP No.1) Limited	100%	Property investment	St Helen's 1 Undershaft London EC3P 3DQ
Mortimer Street Nominee 1 Limited	100%	Nominee company	St Helen's 1 Undershaft London EC3P 3DQ
Fitzroy Place GP 2 Limited	100%	Property investment	St Helen's 1 Undershaft London EC3P 3DQ
Fitzroy Place Management Company Limited	100%	Management of communal areas between property developments at Fitzroy Place	St Helen's 1 Undershaft London EC3P 3DQ

The total historical cost of investments is £18. Mortimer Street Nominee 1 Limited remained dormant during the years ended 31 December 2021 and 31 December 2022.

9. Debtors: amounts falling due within one year

	2022	2021
	£	£
Other debtors	3,775	4,265
Distribution receivable from 2-10 Mortimer Street Limited Partnership	1,123	1,008
	4,898	5,273

Amounts due from related parties are unsecured, interest free and repayable on demand.

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. Cash at bank and in hand

Company cash at bank and in hand is £7,846 (2021: £5,753).

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	2,021	2,420
Amounts due to Aviva Life & Pensions UK Limited	10	10
Amounts due to 2-10 Mortimer Street Limited Partnership	-	-
Amounts due to 2-10 Mortimer Street GP (No 1) Limited	2	2
Amounts due to Fitzroy Place GP 2 Limited	2	2
Amounts due to Fitzroy Place Management Company Limited	2	2
Amounts due to Mortimer Street Nominee 1 Limited	2	2
Amounts due to 2 Fitzroy Place Limited Partnership	3,300	3,300
Tax payable	366	244
	5,705	5,982

Amounts due to related parties are unsecured, interest free and repayable on demand.

12. Called up share capital

	2022	2021
	£	£
The allotted, called up and share capital of the Company at 31 December was:		
50 A ordinary shares of £1 each and 50 B shares of £1 each	100	100
	100	100

The A shares and B shares rank pari passu in all respects but constitute separate classes of share. Each A share and each B share is entitled to one vote in all circumstances. Each A share and each B share has equal rights to dividends.

13. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the Statement of Financial Position date (2021: £nil).

14. Related party transactions

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 1 of these Financial Statements.

There are no amounts receivable from or payments due to members of the Board of Directors.

(b) Services provided to related parties

During the year the Company acted as General Partner for the Partnership. Income distribution from the Partnership of £1,830 (2021: £1,836) was recognised in the year as well as priority distribution to cover expenses incurred of £2,021 (2021: £1,821).

2-10 Mortimer Street GP Limited
Registered in England and Wales: No. 07458495

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Related party transactions (continued)

(c) Services provided by related parties

At 31 December 2022, £10 (2021: £10) was due from the Company to Aviva Life & Pensions UK Limited as disclosed in note 11.

At 31 December 2022, £3,300 (2021: £3,300) was due to the Company from 2 Fitzroy Place Limited Partnership as disclosed in note 11.

At the year end date £8 (2021: £8) was due in total from the Company to 2-10 Mortimer Street GP (No 1) Limited, Fitzroy Place GP 2 Limited, Fitzroy Place Management Company Limited and Mortimer Street Nominee 1 Limited, as disclosed in note 11.

Amounts due to related parties are unsecured and no guarantees were received in respect thereof.

15. Parent and ultimate controlling undertaking

At 31 December 2022, 2-10 Mortimer Street GP Limited is owned equally by Norwich Union (Shareholder GP) Limited and Tower View (GP) Limited. No party has overall control.

Norwich Union (Shareholder GP) Limited is incorporated in the United Kingdom and is a wholly owned subsidiary of Aviva Life & Pensions UK Limited, whose ultimate controlling entity is Aviva plc.

Tower View (GP) Limited is incorporated in Jersey and is a wholly owned subsidiary of New Riverview Limited, who is the ultimate controlling entity.

Aviva plc is a company incorporated in the United Kingdom. New Riverview Limited is a company incorporated in Jersey. Copies of the financial statements of Aviva plc are publicly available from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ.

16. Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors. No events that would have a material impact on the financial statements have been identified.

2-10 MORTIMER STREET LIMITED PARTNERSHIP

Registered in England No: LP014228

**GENERAL PARTNER'S REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED**

31 DECEMBER 2022



COMPANIES HOUSE

2-10 Mortimer Street Limited Partnership

Contents

<i>Partners, Advisers and Other Information</i>	1
<i>Strategic Report</i>	2-6
<i>General Partner's Report</i>	7-9
<i>Independent Auditor's Report to the Partners of 2-10 Mortimer Street Limited Partnership</i>	10-12
<i>Consolidated and Partnership Statement of Total Comprehensive Income</i>	13
<i>Consolidated and Partnership Statements of Financial Position</i>	14
<i>Consolidated and Partnership Statements of Changes in Net Assets Attributable to Partners</i>	15
<i>Consolidated and Partnership Cash Flow Statements</i>	16
<i>Notes to the Consolidated Financial Statements</i>	17-35

2-10 Mortimer Street Limited Partnership

Partners, Advisors and Other Information:

Limited Partners

Aviva Life & Pensions UK Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Tower View Limited
13 Castle Street
St Helier
Jersey
JE4 5UT

General Partner

2-10 Mortimer Street GP Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Fund Manager

Aviva Investors Global Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Registered Number

Registered in England and Wales: No. LP14228

2-10 Mortimer Street Limited Partnership

Strategic Report for the year ended 31 December 2022

The directors of the General Partner (the “Directors”) present their strategic report of 2-10 Mortimer Street Limited Partnership (the “Partnership”) for the year ended 31 December 2022.

The Partnership

The Partnership was established on 7 December 2010 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The amended and restated limited partnership deed is dated 21 November 2016.

The Group

For the purposes of these consolidated financial statements, ‘the Group’ consists of the following entities:

2-10 Mortimer Street Limited Partnership

1 Fitzroy Place Jersey Unit Trust

2 Fitzroy Place Jersey Unit Trust

1 Fitzroy Place Limited Partnership

2 Fitzroy Place Limited Partnership

Fitzroy Place Residential Limited

Principal activity of the Partnership

The principal activity of the Partnership is investment in its subsidiary vehicles to achieve income return and capital growth.

Review of the Partnership’s business

Both 1 Fitzroy Place and 2 Fitzroy Place were fully let during the years ended 31 December 2022 and 31 December 2021.

Future outlook

The partners expect the level of activity to be maintained in the foreseeable future. 1 Fitzroy Place and 2 Fitzroy Place are expected to continue to be fully let out.

Principal risks and uncertainties

The key risks arising in the Group are market, credit, operational and liquidity risks which are discussed in more detail in the rest of this report.

2-10 Mortimer Street Limited Partnership

Strategic Report for the year ended 31 December 2022 (continued)

Aviva Group's approach to risk and capital management

Aviva Investors Global Services Limited (the "Fund Manager") operates within the overall Aviva Group governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and the Aviva Executive Committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). The management of the Group's risk falls within the mandate of the Fund Manager.

Management of financial and non-financial risks

The Group's exposure to different types of risk is limited by the nature of its business as follows:

Market risk

The Group's exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments. Whilst the property valuations reflect the external valuer's assessment at the valuation date, the management have provided for certain judgements in considering any future uncertainty in the real estate market and as such a range of valuation sensitivities have been provided for under the Investment Properties Note 11. The management of this risk falls within the mandate of the Fund Manager, which makes and manages investments on behalf of the Group.

Credit risk

The Group does not have a significant exposure to credit risk as receivables are mainly short-term trading items. The Group's investments are managed by agents who have responsibility for the prompt collection of amounts due.

The Group manages this risk of tenant default by ensuring that a dedicated credit control team is engaged in collecting the advance quarterly rent from tenants as soon as it falls due. The biggest tenant represents 64% of the Group's rental income for the year to 31 December 2022 (31 December 2021: 64%) and they represent 86% of the tenant receivables balance at 31 December 2022 (31 December 2021: 88%).

Loan commitments are made under the Limited Partnership Agreement ("Partnership Agreement" or "LPA") that is signed by all parties so that all members of the Partnership are aware of their commitments. The General Partner communicates regularly with all the members of the Partnership to make them aware of likely future capital requirements and provide explanations for investment performance to manage the risk of default.

Cash at bank is held with financial institutions with good credit ratings.

Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of Aviva's approach to operational risk are set out in the financial statements of the Fund Manager, which manages and administers the Partnership's activities.

2-10 Mortimer Street Limited Partnership

Strategic Report for the year ended 31 December 2022 (continued)

Management of financial and non-financial risks (continued)

Liquidity risk

The Group does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The General Partner monitors the maturity of the Group's obligations as and when they fall due.

The maturity analysis of the Group's financial assets and liabilities as at 31 December 2022 was as follows:

Group	1-12 months	1 to 5 years	Total
	£	£	£
Financial assets			
Trade and other debtors (see notes 13 and 14)	4,515,251	1,688,551	6,203,802
Cash at bank and in hand	10,991,617	-	10,991,617
	15,506,868	1,688,551	17,195,419
Financial liabilities			
Trade and other creditors (see notes 16 and 17)	7,071,246	1,688,551	8,759,797
	7,071,246	1,688,551	8,759,797

The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2022 was as follows:

Partnership	1-12 months	1 to 5 years	Total
	£	£	£
Financial assets			
Investments (see note 12)	-	31,811,883	31,811,883
Trade and other debtors (see notes 13 and 14)	187,185,082	-	187,185,082
Cash at bank and in hand	1,170,233	-	1,170,233
	188,355,315	31,811,883	220,167,198
Financial liabilities			
Trade and other creditors (see note 16 and 17)	31,056,960	-	31,056,960
	31,056,960	-	31,056,960

2-10 Mortimer Street Limited Partnership

Strategic Report for the year ended 31 December 2022 (continued)

Covid-19, Ukraine/Russia conflict and inflationary pressures

Whilst the Covid-19 pandemic continued to impact on certain parts of the global economy during 2022, restrictions are now lifted in all major economies. There was no material Covid-19 related impact on the Partnership during 2022 nor is any anticipated for 2023.

The ongoing conflict between Ukraine and Russia, which commenced in February 2022, together with the economic sanctions placed on Russia has had a material impact to many economies with elevated level of inflation leading to central banks swiftly increasing interest rates. Whilst this is expected to moderate in 2023, there is some uncertainty around this, due to the continued high levels of core inflation within western economies. The General Partner continues to closely monitor the associated geo-political risks in relation to inflation, rising interest rates, volatile markets and any potential adverse impact on the Partnership and its investment. However, as at the date of approval of these financial statements, based on its assessment of the current situation and information available, the General Partner does not envisage that this will have a material impact on the Partnership. Following the escalation of the conflict between Ukraine and Russia in February 2022 and the related economic sanctions imposed by various governments, the General Partner is actively monitoring the situation and will assess any impact as it is deemed to arise. The General Partner recognises that the overall impact of the conflict may not yet be apparent and does not underestimate the inevitable effect it will have on global financial markets, including any potential adverse impact on the Partnership and its investment. As at the date of approval of these financial statements, based on its assessment of the current situation and information available, the General Partner does not envisage that this will have a material impact on the Partnership.

Environmental

Our approach to responsible investment in real assets

Our duty as long-term stewards of our clients' assets is the responsible allocation and management of capital. We do this to create stable income and capital growth for our clients, contributing to long-term value creation. To create and protect value, we must balance the needs of our clients with the needs of our stakeholders: customers, partners, communities and wider society. We do this by understanding material environmental, social and governance (ESG) factors and sustainability risks that can impact investment returns and assessing investments for their potential to adversely impact our stakeholders.

Governance and oversight of our responsible investment activity is led by our real assets stewardship forum, which is chaired by the chief investment officer and has membership from our senior leadership team as well as the chief responsible investment officer. The stewardship forum oversees the direction of our ESG and stewardship activities, as well as the delivery of our sustainability goals and external stakeholder matters. Our real assets investment oversight committee retains oversight of ESG integration in our investment activities and is supported by our origination forum, which guides ESG integration in our investment strategy.

We encourage a culture of team and individual accountability through integrating ESG in asset planning and review meetings. Our reporting on ESG metrics through these meetings allows us to hold our teams to account for delivering our responsible investment goals. The integration of ESG factors in investment decisions is part of the pay criteria of our main investment desk heads. In addition, through our global reward framework, all investment employees are expected to support our responsible investment activities and integrate ESG issues into their investment processes.

Find out more about our approach to responsible investment at <https://www.avivainvestors.com/en-gb/about-responsible-investment>.

2-10 Mortimer Street Limited Partnership

Strategic Report for the year ended 31 December 2022 (continued)

Employees

The Partnership had no employees during the year (2021: none).

For and on behalf of the Partnership:

DocuSigned by:



AA43F6718D294B5

I C L Ebbs

Director of 2-10 Mortimer Street GP Limited

08 August 2023

2-10 Mortimer Street Limited Partnership

General Partners' Report for the year ended 31 December 2022

The directors of the General Partner (the "Directors") present their report and the financial statements of 2-10 Mortimer Street Limited Partnership (the "Partnership") and the Group for the year ended 31 December 2022.

Results and Distributions

The loss for the Group for 2022 was £54,286,426 (profit for 2021: £26,337,244). Income distributions to the Partners of £18,289,298 (2021: £18,324,422) and priority distributions to the General Partner of £6,063 (2021: £5,463) were recognised within finance costs in the Statement of Total Comprehensive Income.

Directors

The current Directors of 2-10 Mortimer Street GP Limited and those in office throughout the year, except as noted, are as follows:

P A Ferrari
C-E Lawrence
T A Smithers
N J Gardiner
I C L Ebbs (appointed 28 February 2022)
D A Diemer (resigned 28 February 2022)

Going concern

As at 31 December 2022 the Group and Partnership had net current asset of £5,204,313 (2021: £5,594,188) and £157,418,249 (2021: £157,418,349). The Directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

The General Partner has reviewed the current and projected financial position of the Group and Partnership, making reasonable assumptions about future trading performance. Accordingly, the General Partner has a reasonable expectation that the Group and Partnership has adequate resources to continue in operational existence for the foreseeable future and on this basis the General Partner has adopted the going concern in preparing these financial statements.

Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the financial statements were approved and authorised for issue by the General Partner. No events that would have a material impact on the financial statements have been identified.

Independent auditor

It is the intention of the Directors to reappoint the auditor, BDO LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Disclosure of information to the independent auditor

Each person who was a director of the General Partner on the date that this report was approved confirms that:

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Partnership's auditor is unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

2-10 Mortimer Street Limited Partnership

General Partners' Report for the year ended 31 December 2022 (continued)

Disclosure of information to the independent auditor (continued)

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006, as applied in accordance with the provisions of the Partnership (Accounts) Regulations 2008.

Partners' accounts

Partners' accounts consist of capital contributions and non-interest bearing loans. The Partnership has classified the Partners' accounts as a financial liability in accordance with FRS 102 based on the contractual arrangements within the Limited Partnership Agreement which require repayment of the net assets/liabilities upon wind up of the Partnership.

The Partners accounts include capital contributions and Partners advance as follows:

As at 31 December 2022	Capital Contributions	Capital Advance
	£	£
Aviva Life & Pensions UK Limited	49,995	43,853,475
Tower View Limited	49,995	43,853,475
2-10 Mortimer Street GP Limited	10	-
Total	100,000	87,706,950

As at 31 December 2021	Capital Contributions	Capital Advance
	£	£
Aviva Life & Pensions UK Limited	49,995	43,853,475
Tower View Limited	49,995	43,853,475
2-10 Mortimer Street GP Limited	10	-
Total	100,000	87,706,950

2-10 Mortimer Street Limited Partnership

General Partners' Report for the year ended 31 December 2022 (continued)

Statement of General Partner's responsibilities

The General Partner is responsible for preparing the Strategic Report, the General Partner's Report and the Group and Partnership financial statements in accordance with applicable law and regulations.

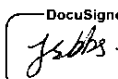
The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare Group and Partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare both the Group and Partnership financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law, the General Partner 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 Group and the Partnership and of the profit or loss of the Group and Partnership for that period. In preparing each of the Group and Partnership financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The General Partner is 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 Group and Partnership and to prevent and detect fraud and other irregularities.

For and on behalf of the Partnership:

DocuSigned by:

AA43F6718D294B5

I C L Ebbs

Director of 2-10 Mortimer Street GP Limited

08 August 2023

2-10 Mortimer Street Limited Partnership

Independent Auditor's Report to the Partners of 2-10 Mortimer Street Limited Partnership

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Partnership's affairs as at 31 December 2022 and of the Group's loss and the Partnership's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements of 2-10 Mortimer Street Limited Partnership ("the Partnership") and its subsidiaries (together "the Group") for the year ended 31 December 2022 which comprise the Consolidated and Partnership Statements of Comprehensive Income, the Consolidated and Partnership Statements of Financial Position, the Consolidated and Partnership Statements of Changes in Net Assets Attributable to Partners, the Consolidated and Partnership Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the General Partner's 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 Group's and the Partnership'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 General Partner with respect to going concern are described in the relevant sections of this report.

Other information

The General Partner is responsible for the other information. The other information comprises the information included in the General Partner's Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. 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.

2-10 Mortimer Street Limited Partnership

Independent Auditor's Report to the Partners of 2-10 Mortimer Street Limited Partnership (Continued)

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and General Partner's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and General Partner's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships requires us 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the General Partner

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is 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 General Partner 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 General Partner is responsible for assessing the Group's and the Partnership'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 General Partner either intends to liquidate the Group or the Partnership 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.

2-10 Mortimer Street Limited Partnership

Independent Auditor's Report to the Partners of 2-10 Mortimer Street Limited Partnership (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, 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 gained an understanding of the legal and regulatory framework applicable to the Partnership and the industry in which it operates, and considered the risk of acts by the Partnership that were contrary to applicable laws and regulations, including fraud.

Our procedures included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of the investment properties. In response to the risk of management override of controls we identified and tested journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.. Our audit work has been undertaken so that we might state to the Partnership's partners 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 Partnership and the Partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Chris Young

A69F3BF7808C49C

Christopher Young (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

11 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

2-10 Mortimer Street Limited Partnership

Consolidated and Partnership Statement of Comprehensive Income for the year ended 31 December 2022

	Notes	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Turnover	5	18,069,331	17,823,514	-	-
Distribution from subsidiaries		-	-	18,669,722	18,550,480
Cost of sales	6	48,142	54,050	-	-
Gross profit		18,117,473	17,877,564	18,669,722	18,550,480
Administrative expenses	7	(2,792,969)	(2,065,723)	(380,424)	(226,058)
Change in fair value of investment properties	11	(51,512,290)	29,587,710	-	-
Operating (loss)/profit		(36,187,786)	45,399,551	18,289,298	18,324,422
Finance income	8	-	153	-	-
Finance cost (distributions)	9	(18,298,948)	(18,333,633)	(18,289,298)	(18,324,422)
(Loss) profit on ordinary activities before taxation		(54,486,734)	27,066,071	-	-
Tax on profit/(loss) on ordinary activities	10	192,872	(728,827)	-	-
(Loss) profit for the financial year		(54,293,862)	26,337,244	-	-
Total comprehensive (loss)/ income attributable to Partners		(54,293,862)	26,337,244	-	-

Continuing operations

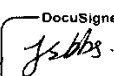
All amounts reported in the Consolidated and Partnership Statement of Comprehensive Income for the years ended 31 December 2022 and 31 December 2021 relate to continuing operations.

2-10 Mortimer Street Limited Partnership

Consolidated and Partnership Statements of Financial Position As at 31 December 2022

	Notes	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Fixed assets					
Investment properties	11	412,249,150	463,761,441	-	-
Investment in subsidiaries	12	-	-	31,811,883	31,811,883
		<u>412,249,150</u>	<u>463,761,441</u>	<u>31,811,883</u>	<u>31,811,883</u>
Debtors: amounts falling due after one year	14	22,841,691	25,116,200	-	-
Current assets					
Debtors: amounts falling due within one year	13	7,431,928	10,487,995	187,305,077	187,731,286
Cash at bank and in hand	15	10,991,617	8,798,886	1,170,233	1,195,179
		<u>18,423,545</u>	<u>19,286,881</u>	<u>188,475,310</u>	<u>188,926,465</u>
Creditors: amounts falling due within one year	16	<u>(13,219,232)</u>	<u>(13,692,693)</u>	<u>(31,056,961)</u>	<u>(31,508,116)</u>
Net current assets		5,204,313	5,594,188	157,418,349	157,418,349
Total assets less current liabilities		440,295,150	494,471,829	189,230,232	189,230,232
Creditors: amounts falling due after more than one year	17	<u>(3,977,803)</u>	<u>(3,860,437)</u>	<u>-</u>	<u>-</u>
Net assets attributable to Partners		<u>436,317,347</u>	<u>490,611,392</u>	<u>189,230,232</u>	<u>189,230,232</u>
Partner's Capital	20	<u>436,317,347</u>	<u>490,611,392</u>	<u>189,230,232</u>	<u>189,230,232</u>

These financial statements were approved and authorised for issue by the Board of Directors of 2-10 Mortimer Street GP Limited, the General Partner on 08 August 2023 and were signed on its behalf by

DocuSigned by:

 AA43F6718D294B5
 I C L Ebbs

Director of 2-10 Mortimer Street GP Limited

2-10 Mortimer Street Limited Partnership

Consolidated and Partnership Statements of Changes in Net Assets Attributable to Partners For the year ended 31 December 2022

	Notes	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Net assets attributable to Partners at 1 January		490,611,392	464,274,148	189,230,232	189,230,232
Total comprehensive (loss) income for the financial year	20/21	(54,293,862)	26,337,244	-	-
Net assets attributable to Partners at 31 December		436,317,530	490,611,392	189,230,232	189,230,232

2-10 Mortimer Street Limited Partnership

Consolidated and Partnership Cash Flow Statements For the year ended 31 December 2022

		Group 2022	Group 2021	Partnership 2022	Partnership 2021
		£	£	£	£
Cash flows from operating activities	Notes				
(Loss)/profit for the year		(54,286,426)	26,337,244	-	-
<i>Adjustments for:</i>					
Change in value of investment property	11	51,512,290	(29,587,710)	-	-
Tax (credit)/charge for current year	10	(192,872)	728,827	-	-
Interest receivable and similar income	8	-	(153)	-	-
Interest payable and similar charges	9	18,298,948	18,333,633	18,289,298	18,324,422
		15,332,119	15,811,841	18,289,298	18,324,422
Decrease/(increase) in trade and other debtors	13-14	5,330,576	1,036,059	426,209	(50,141)
Increase/(Decrease) in trade and other creditors	16-17	204,081	(877,986)	(94,193)	(20,225)
Decrease in provisions	18	-	(28,000)	-	-
Tax paid		(13,065)	(86,394)	-	-
Net cash from operating activities		20,853,711	15,855,520	18,621,314	18,254,056
Cash flows from financing activities					
Interest received		-	153	-	-
Distributions paid		(18,653,365)	(18,109,208)	(18,646,260)	(18,103,364)
Net cash (used in) financing activities		(18,653,365)	(18,109,055)	(18,646,260)	(18,103,364)
Net increase (decrease) in cash and cash equivalents		2,192,731	(2,253,535)	(24,946)	150,692
Cash and cash equivalents at 1 January		8,798,886	11,052,421	1,195,179	1,044,487
Cash and cash equivalents at 31 December	15	10,991,617	8,798,886	1,170,233	1,195,179

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. General information

The Partnership was established on 6 December 2010 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The amended and restated limited partnership deed is dated 21 November 2016. The Partnership is domiciled in the United Kingdom.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

Basis of accounting

The Group and Partnership financial statements have been prepared under the historical cost convention, as modified by the revaluation of property investments and in accordance with Financial Reporting Standard 102 ("FRS 102") the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The functional currency of 2-10 Mortimer Street Limited Partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. The consolidated financial statements are also presented in pounds sterling.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Partnership and its Group undertaking, as at 31 December 2022. The financial statements of the Group undertakings are prepared for the same reporting period as the Partnership, using consistent accounting policies. The results of subsidiaries acquired are consolidated for the period from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group balances, transactions, income and expenses with subsidiaries are eliminated on consolidation.

Investments in Group undertakings have been included in the Partnership financial statements at the original equity contribution value less any subsequent repayments of capital and any impairment charges.

Going concern

The consolidated financial statements comprise the financial statements of the Partnership and its Group undertakings as at 31 December 2022. The financial position of the Group and Partnership and their liquidity position are set out in these financial statements.

As at 31 December 2022 the Group and Partnership had net current asset of £5,204,313 (2021: £5,594,188) and £157,418,349 (2021: £157,418,349). The Directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

The General Partner has reviewed the current and projected financial position of the Group and Partnership, making reasonable assumptions about future trading performance. Accordingly, the General Partner has a reasonable expectation that the Group and Partnership has adequate resources to continue in operational existence for the foreseeable future and on this basis the General Partner has adopted the going concern in preparing these financial statements.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

3. Accounting policies (continued)

Investment in subsidiaries

Investment in subsidiaries is shown in the Statement of Financial Position of the Partnership at cost less any provision for impairment.

Debtors and other current assets

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

Current liabilities

Other payables are initially recognised and carried at transaction price plus attributable transaction costs. Where the time value of money is material, the payables are carried at amortised cost.

Financial instruments

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

i) Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Basic financial assets, including trade and other receivables, cash and bank balances, and amounts due from related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are subsequently carried at amortised costs. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(i) Financial liabilities

Financial liabilities, including trade and other trade payables and amounts due to related parties are recognised when the Group becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). Financial liabilities are subsequently carried at amortised costs.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

3. Accounting policies (continued)

Loans and borrowings

Loans and borrowings are recognised initially at their issue proceeds less transaction costs incurred. Subsequently, borrowings are stated at amortised cost. Interest expense associated with loans and borrowings is accounted for on an accruals basis.

Leases

Leases, where the lessor retains substantially all of the risks and rewards of ownership, are classified as operating leases. If the impact of straight-lining is material the income is amortised over the lease term. The same applies for receipts as lessors under operating leases (net of any incentives given to the lessee) which are credited to the statement of comprehensive income on a straight-line basis over the period of the lease if there is a material impact.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed if the future obligation is probable and the amount cannot be reasonably estimated.

Cash at bank and in hand

Cash at bank and in hand comprises cash and cash on deposit with banks, both of which are immediately available.

Cash flow

The Group reports cash flows from operating activities using the indirect method. Interest received and paid is presented within Cash flows from financing activities. Capitalised development expenditure is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

3. Accounting policies (continued)

Fund manager fees

Under the terms of the Amended and Restated Asset Management Agreement dated 21 November 2016 between the Partnership and Aviva Investors Global Services Limited (the "Fund Manager"), is entitled to a fixed fee of £590,000 for fund management services along with a fixed fee of £10,000 for administration services, which applied prior to practical completion. Both fees are calculated on a quarterly basis and payable quarterly in arrears. On 20 April 2016, the Group reached practical completion and from this date, the fee for the fund management services altered to being based upon 0.3% of the market value of the properties less £10,000. The administration fee remained unchanged, with both fees being calculated on a quarterly basis and payable quarterly in arrears.

Turnover

Turnover represents rental income comprising of rent receivable, ground rent from residential flats on completion and surrender premiums on investment properties leased out under operating lease agreements, arising in the United Kingdom net of VAT.

Rent and ground rent receivable are recognised on an accruals basis in the Statement of Comprehensive Income, over the period to which the income relates. Rent receivable also includes incentives given to tenants, such as rent-free periods, and if the impact of these is material to the financial statements they are amortised over the period of the lease. Surrender premiums are recognised on unconditional exchange of contracts.

Turnover of the Partnership represents distributions received from its subsidiaries.

Cost of sales

Cost of sales includes amounts invoiced in respect of facilities management services provided, and other expenses incurred on an accruals basis. Cost of sales also includes the cost of disposals of the residential flats. The cost of disposals is calculated on a proportionate amount based on the sales valuation of the whole residential development.

Administrative expenses

Administrative expenses include all costs not directly incurred in the operation of the Group's property portfolio. This includes administration, finance and management expenses.

Interest receivable and similar income

Interest income and similar income is recognised on an accruals basis.

Interest payable and similar charges

Interest payable and similar charges are recognised on an amortised cost basis and include loan facility interest.

Income allocation and distributions

In accordance with the Limited Partnership Agreement net results are to be allocated to Partners at their respective proportions. The Fund Manager, with approval of General Partner, shall distribute net proceeds received after making provision for fees and expenses of the Partnership.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

3. Accounting policies (continued)

Taxation

The Partnership itself is transparent for tax purposes, with each partner exclusively liable for any tax liabilities arising out of their interest in the Partnership.

Within Fitzroy Place Residential Limited the current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Partnership's Consolidated Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

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.

In the process of applying the Partnership's accounting policies, the General Partner has made the following judgements which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Valuation of investment properties

The fair value of the Group's investment properties represents an estimate by independent professional valuers of the open market value of each property as at the balance sheet date. The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. The valuers also make reference to market evidence of transaction prices for similar properties. Fair value disclosures in relation to investment property are given in Note 11.

Under section 2A.1 of FRS 102, fair value is classified as one of the following:

- (a) The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- (c) If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

For the valuation of investment property, the General Partner considers this a Section 2A.1(c) valuation.

(b) Impairment of non-financial assets

Property and other non-financial assets are reviewed for impairment at each balance sheet date. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

5. Turnover

Turnover is attributable to one continuing activity in the UK, the selling, letting and management of property.

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Gross rental income	17,870,431	17,624,659	-	-
Ground rental income	198,900	198,855	-	-
	18,069,331	17,823,514	-	-

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

6. Cost of sales

	Group	Group	Partnership	Partnership
	2022	2021	2022	2021
	£	£	£	£
Property related expenses	(10,034)	148,757	-	-
Bad debt expense	(38,108)	(202,807)	-	-
	(48,142)	(54,050)	-	-

7. Administrative expenses

	Group	Group	Partnership	Partnership
	2022	2021	2022	2021
	£	£	£	£
Asset management fees	1,400,524	1,419,837	-	-
Legal and professional fees	797,386	284,316	1,302	499
Audit fees	52,348	43,315	22,260	17,800
Operator fees	10,001	10,001	-	-
Trustee fees	28,484	27,372	-	-
Bank charges	810	1,164	246	262
Taxation fees	4,814	14,940	5,832	7,340
Valuation fees	69,417	64,342	-	-
Interest payable and similar charges	(1,669)	-	-	-
Sundry expenses	430,854	200,436	350,784	200,157
	2,792,969	2,065,723	380,424	226,058

The Group and Partnership had no employees in the current or prior year. In the current year the Directors received no emoluments for services to the Partnership for the financial year (2021: £nil).

8. Finance income

	Group	Group	Partnership	Partnership
	2022	2021	2022	2021
	£	£	£	£
Bank interest receivable	-	153	-	-
	-	153	-	-

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

9. Finance cost and distributions

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Income distributions to Limited Partner	(18,289,186)	(18,324,476)	(18,285,448)	(18,320,766)
Income distributions to General Partner	(3,699)	(3,694)	(1,829)	(1,835)
Priority distributions to General Partner	(6,063)	(5,463)	(2,021)	(1,821)
	(18,298,948)	(18,333,633)	(18,289,298)	(18,324,422)

10. Tax on (loss)/profit on ordinary activities

The total tax (credit)/charge comprises:

	Group 2022 £	Group 2021 £
Current tax:		
For this year	11,157	34,240
Prior year adjustments	(8195)	-
Total current tax	2962	34,240
Deferred tax:		
Origination and reversal of temporary differences	(206,617)	129,165
Prior year adjustments	10,783	-
Effect of tax rate change on opening balance	-	565,422
Total deferred tax	(195,834)	694,587
Tax (credit) charge on (loss)/profit on ordinary activities	(192,872)	728,827

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

10. Tax on (loss)/profit on ordinary activities (continued)

(a) Tax reconciliation

The tax on the Partnership's profit before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	Group 2022 £	Group 2021 £
Profit/(loss) on ordinary activities before tax	(54,486,734)	27,066,071
Less: Change in fair value of investment properties	51,512,290	(29,587,710)
Add: Distributions	18,298,948	18,333,633
Profit before distributions and taxation	15,324,504	15,811,994
Tax calculated at standard UK corporation tax rate 19%	2,911,656	3,004,279
Adjustment to tax charge in respect of prior years	-	-
Partnership profits not taxable	(2,661,001)	(2,930,965)
Remeasurement of deferred tax for changes in tax rates	(47,000)	555,581
Deferred tax not recognised	(10,783)	65,692
Unexplained difference	-	-
Total tax charge on ordinary activities for the year	(192,872)	694,587

(b) Deferred tax

(i) The balance at the year end comprises:

	Group 2022 £	Group 2021 £
Unrealised gains on investments	(2,485,086)	(2,485,086)
Deferred tax charged in the Statement of comprehensive income for the period	195,834	-
Net deferred tax liability	(2,289,252)	(2,485,086)

(ii) The movement in net deferred tax liability was as follows:

	Group 2022 £	Group 2021 £
Net deferred tax liability at 1 January	(2,485,086)	(1,790,499)
Amounts charged to Statement of Comprehensive income	195,834	(694,587)
Net deferred tax liability at 31 December	(2,289,252)	(2,485,086)

In the Budget of 3 March 2021 the UK Government announced that the UK corporation tax rate would increase to 25% from 1 April 2023. As of 31 December 2022, the measure was substantively enacted and the impact is reflected in the calculation of the Group's deferred tax assets and liabilities as at 31 December 2022.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

11. Investment properties

	Group 2022 £	Group 2021 £
Cost		
Opening balance	213,156,785	213,156,785
Cost at 31 December	213,156,785	213,156,785
Fair value adjustment		
Opening balance	250,604,656	221,016,946
Net (loss)/gain on revaluation of investment property	(51,512,291)	29,587,710
Fair value adjustment 31 December	199,092,365	250,604,656
Carrying amount at 31 December	412,249,150	463,761,441
Lease incentives		
Current		
Unamortised rent free incentives	2,494,760	2,494,760
Unamortised capital contributions	92,950	92,950
Non-Current		
Unamortised rent free incentives	20,396,778	22,891,538
Unamortised capital contributions	756,362	849,311
Fair value at 31 December	435,990,000	490,090,000

The investment property tenure is freehold.

For the valuation of investment properties, the General Partner considers this a Section 2A.1(c) valuation.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

11. Investment properties (continued)

The investment properties were valued to fair value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors, as at 31 December 2022 by CBRE, independent professionally qualified chartered surveyors. The valuer has significant experience in the location and class of the investment properties being valued.

The valuations performed by the independent valuer for financial reporting processes have been reviewed by the Fund Manager. Discussions of valuation processes and results are held between the Fund Manager and the independent valuers at least once every quarter. At each year end, the Fund Manager:

- Verifies all major inputs to the independent valuation report
- Assesses property valuation movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

Investment properties are valued by using the investment method which involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions, being assumptions applied by the valuers and information provided by the General Partner which is derived from the Partnership's financial and property management systems and is subject to the Partnership's overall control environment.

The table below shows the results of Management's evaluation of the sensitivity of the Level 3 fair value of investment properties at 31 December to changes in unobservable inputs to a reasonable alternative for 1 Fitzroy Place Limited Partnership, 2 Fitzroy Place Limited Partnership, Fitzroy Place Residential Limited:

Investment property	2022 Fair value £	Unobserv- able input	Change in fair value			
			+25bps	+50bps	+75bps	+100bps
			£	£	£	£
Fitzroy Place Residential Limited	£5,075,000	Equivalent yield	(£379,238)	(£711,071)	(£1,003,865)	(£1,264,127)
1 Fitzroy Place Limited Partnership	£270,600,000	Equivalent yield	(£14,379,696)	(£27,277,039)	(£38,910,008)	(£49,455,836)
2 Fitzroy Place Limited Partnership	£159,700,000	Equivalent yield	(£8,913,593)	(£16,918,231)	(£24,145,387)	(£30,702,334)

These amounts are not an estimate or a forecast of the Partnership's property value. The analysis is designed solely to provide an indication of the impact of certain changes to the Partnership's property value.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

12. Investment in subsidiaries

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Cost at 1 January	-	-	31,811,883	31,811,883
Historic cost of investment at 31 December	-	-	31,811,883	31,811,883

The General Partner believes that the carrying value of the investments is supported by their underlying net assets.

At the year end the Group had the following material interests:

Name of subsidiary	Shareholding	Held through	Nature of business	Address
Fitzroy Place Residential Limited	100.00%	Ordinary shares	Trade of residential property development	St Helen's 1 Undershaft London EC3P 3DQ 3rd Floor Liberation House
1 Fitzroy Place Jersey Unit Trust	99.98%	Units	The Trust invests in 1 Fitzroy Place Limited Partnership	Castle Street St Helier Jersey Channel Islands JE1 2LH 3rd Floor Liberation House
2 Fitzroy Place Jersey Unit Trust	99.98%	Units	The Trust invests in 2 Fitzroy Place Limited Partnership	Castle Street St Helier Jersey Channel Islands JE1 2LH
1 Fitzroy Place Limited Partnership	99.99%	Ordinary shares	Trade of investment property development	St Helen's 1 Undershaft London EC3P 3DQ
2 Fitzroy Place Limited Partnership	99.99%	Ordinary shares	Trade of investment property development	St Helen's 1 Undershaft London EC3P 3DQ

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

13. Debtors – amounts due falling within one year

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Other amounts due from intercompany loans:				
1 Fitzroy Place Limited Partnership	-	-	115,807,167	115,766,049
2 Fitzroy Place Limited Partnership	-	-	66,191,014	66,162,748
Other debtors:				
Trade debtors	1,659,657	4,711,075	-	-
VAT receivable	328,967	431,516	119,995	295,366
Prepayments	-	-	-	-
Lease incentives	2,587,710	2,587,710	-	-
Accrued income	-	-	-	-
Other debtors	695,164	534,637	-	-
Fitzroy Place Management Company Limited	204,827	293,716	204,827	293,716
2-10 Mortimer Street GP Limited	4,585	4,095	285	(205)
2-10 Mortimer Street GP (No 1) Limited	1,000	1,000	-	-
Fitzroy Place GP 2 Limited	1,000	1,000	-	-
1 Fitzroy Place Jersey Unit Trust	-	-	3,204,604	3,165,203
2 Fitzroy Place Jersey Unit Trust	-	-	1,777,185	2,048,409
Cash held by managing agent	1,949,018	1,923,246	-	-
Total debtors amounts falling due within one year	7,431,928	10,487,995	187,305,077	187,731,286

The gross rental income receivable balance amounted to £1,329,840 at the balance sheet date (2021: £4,249,125).

Loans and other receivables from related parties are interest free and repayable on demand.

Fair value is considered carrying value, with time value of money considered immaterial.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

14. Debtors – amounts falling due after one year

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Other debtors:				
Lease incentives	21,153,140	23,740,849	-	-
Tenant rent deposits	1,688,551	1,375,351	-	-
Total debtors amounts falling due after one year	22,841,691	25,116,200	-	-

Fair value is considered carrying value, with time value of money considered immaterial.

15. Cash at bank and in hand

Group and Partnership held cash at bank and in hand as at 31 December 2022 amounted to £10,991,617 and £1,170,233 respectively (2021: £8,798,886 and £1,195,179).

16. Creditors - amounts falling due within one year

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Trade and other payables	1,278,764	1,587,464	-	-
Accruals and deferred income	5,446,591	5,288,482	28,470	29,837
Taxation payable	(6,415)	3,510	-	-
Construction cost and agent fee provision (note 18)	607,088	607,088	-	-
Agent output VAT	1,215,380	1,173,908	-	-
Amounts due to Fitzroy Place Residential Limited	-	-	26,365,151	26,457,978
Distribution payable to 2-10 Mortimer Street GP Ltd	1,123	1,007	1,123	1,007
Distribution payable to 2-10 Mortimer Street GP (No1) Limited	8,441	6,630	-	-
Distribution payable to Fitzroy Place GP 2 Limited	5,022	4,266	-	-
Distribution due to Aviva Life & Pensions UK Limited	2,331,619	2,510,169	2,331,108	2,509,647
Distribution payable to Tower View Limited	2,331,619	2,510,169	2,331,108	2,509,647
Total creditors amounts falling due within one year	13,219,232	13,692,693	31,056,960	31,508,116

Amounts payable to related parties are interest free and repayable on demand.

Fair value is considered carrying value, with time value of money considered immaterial.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

17. Creditors – amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Tenant rent deposits	1,688,551	1,375,351	-	-
Deferred tax liability	2,289,252	2,485,086	-	-
Total creditors amounts falling due after one year	3,977,803	3,860,437	-	-

Fair value is considered carrying value, with time value of money considered immaterial.

18. Provisions for liabilities

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Balance at 1 January	(607,088)	(635,088)	-	-
Utilised in the year	-	28,000	-	-
Balance at 31 December	(607,088)	(607,088)	-	-

Construction provisions mainly relate to retention amounts payable in relation to the construction of apartments and are utilised once payments are made in Fitzroy Place Residential Limited.

19. Contingencies and commitments as lessor

There were no contingent liabilities at the balance sheet date (2021: £nil).

As at 31 December 2022, the Group contracted with tenants for the following future minimum rental receipts.

	2022 £	2021 £
Within one year	19,489,941	20,584,571
From two to five years	53,904,439	61,056,518
Over five years	310,791,768	329,074,126
	384,186,148	410,715,215

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

20. Movement in Partners' Funds – Consolidated

	Aviva Life & Pensions UK Limited Capital A215 33.33% £	Aviva Life & Pensions UK Limited Capital A214 16.665% £	Tower View Limited 49.995% £	2-10 Mortimer Street GP Limited 0.01% £	Total 100% £
Capital account					
At 1 January and 31 December 2022	33,330	16,665	49,995	10	100,000
Other capital account					
At 1 January and 31 December 2022	66,733	33,367	100,100	-	200,200
Partnership premium account					
At 1 January and 31 December 2022	10,445,091	5,224,112	15,669,202	-	31,338,405
Advance capital account					
Opening balances	29,232,325	14,621,150	43,853,475	-	87,706,950
Advance capital repayment during the year	-	-	-	-	-
At 31 December 2022	29,232,325	14,621,150	43,853,475	-	87,706,950
Revenue account					
Opening balances	123,785,620	61,845,437	185,631,051	3,729	371,265,837
Profit for the year	-18,096,144	-9,048,072	-27,144,216	-5,429	-54,293,862
At 31 December 2022	105,689,476	52,797,365	158,486,835	-1,700	316,971,975
Net assets at 31 December 2022	145,466,955	72,692,659	218,159,607	-1,690	436,317,531
Net assets at 31 December 2021	163,563,099	81,740,731	245,303,823	3,739	490,611,392

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

21. Movement in Partners' Funds - Partnership

	Aviva Life & Pensions UK Limited Capital A215 33.33% £	Aviva Life & Pensions UK Limited Capital A214 16.665% £	Tower View Limited 49.995% £	2-10 Mortimer Street GP Limited 0.01% £	Total 100% £
Capital account					
At 1 January and 31 December 2022	33,330	16,665	49,995	10	100,000
Partnership premium account					
At 1 January and 31 December 2022	10,445,091	5,224,112	15,669,202	-	31,338,405
Advance capital account					
At 1 January and 31 December 2022	29,232,325	14,621,150	43,853,475	-	87,706,950
Revenue account					
Opening balances	23,358,969	11,683,468	35,042,440	-	70,084,877
Profit for the year	-	-	-	-	-
At 31 December 2022	23,358,969	11,683,468	35,042,440	-	70,084,877
Net assets at 31 December 2022	63,069,715	31,545,395	94,615,112	10	189,230,232
Net assets at 31 December 2021	63,069,715	31,545,395	94,615,112	10	189,230,232

Aviva Life and Pensions UK Limited advance capital

Aviva advance capital is non-interest bearing.

Tower View Limited advance capital

Tower View Limited advance capital is non-interest bearing.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

22. Related party transactions

	Expense in year		Payable at year end	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
AIGSL asset management fees	1,401	1,420	365	365
AIGSL administration fees	10	10	3	3
	1,411	1,430	368	368

Aviva Investors Global Services Limited (AIGSL) provides asset management and administration services to the Partnership. The ultimate holding company of AIGSL is Aviva plc. The agreed fees for the asset management services are £1,400,524 (2021: £1,419,837) per annum and £10,001 (2021: £10,001) per annum for the administration services.

The related party payables are not secured and no guarantees were received in respect thereof. The payables will be settled in accordance with normal credit terms.

The Directors received no emoluments for services to the Partnership for the financial year (31 December 2021: £nil).

Amounts due from related parties

Amounts of £204,827 (2021: £293,716) are included in the Group's financial statements in respect of receivables from Fitzroy Place Management Company Limited. Transactions are in respect of service charge funding and project expenditure incurred.

Parent and ultimate controlling undertaking

The 2-10 Mortimer Street Limited Partnership does not have an ultimate controlling party. The Partnership is owned 49.995% by Aviva Life & Pensions UK Limited, 49.995% by Tower View Limited and 0.010% by 2-10 Mortimer Street GP Limited.

The Partnership is managed by the General Partner, 2-10 Mortimer Street GP Limited (the General Partner). The General Partner is owned 50% by Norwich Union (Shareholder GP) Limited, a wholly owned entity of Aviva Plc and 50% by Tower View (GP) Limited, which is controlled by New Riverview Limited.

2-10 Mortimer Street Limited Partnership

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2022

23. Financial instruments

The carrying values of the Group's and Partnership's financial assets and liabilities are summarised by category below:

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Financial assets				
Measured at undiscounted amount receivable:				
Investment in subsidiaries (see note 12)	-	-	31,811,883	31,811,883
Trade and other debtors - amounts falling due after one year (see note 14)	1,688,551	1,375,351	-	-
Trade and other debtors - amounts falling due in less than one year (see note 13)	4,515,251	7,468,769	187,185,082	187,435,920
Cash at bank and in hand	10,991,617	8,798,886	1,170,233	1,195,179
	17,195,419	17,643,006	220,167,198	220,442,982

	Group 2022 £	Group 2021 £	Partnership 2022 £	Partnership 2021 £
Financial liabilities				
Measured at undiscounted amount payable:				
Trade and other creditors - amounts falling due after one year (see note 17)	1,688,551	1,375,351	-	-
Trade and other creditors - amounts falling due in less than one year (see note 16)	7,071,246	7,783,224	31,056,960	31,508,116
	8,759,797	9,158,575	31,056,960	31,508,116

24. Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the financial statements were approved and authorised for issue by the General Partner. No events that would have a material impact on the financial statements have been identified.