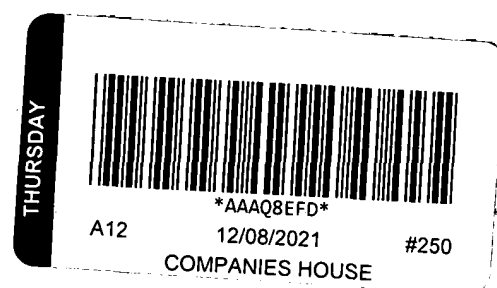


Registered number: 08235495

GCH INVESTMENTS (2) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



GCH INVESTMENTS (2) LIMITED

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GCH INVESTMENTS (2) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

The directors present their Annual Report on the affairs of GCH Investments (2) Limited (the 'Company') together with the financial statements for the year ended 31 December 2020.

BUSINESS REVIEW

The principal activity of the Company during the year was its investment in GCH Investments LLP. The Company fully repaid the equity to GCH Investment LLP in 2018, however the Company expects to continue to receive income as a result of the original investment.

The Company is in a net asset position of £ 798,487 (2019 - £1,343,668) and net current asset position of £ 798,487 (2019 - £1,343,668) and is profit making as at 31 December 2020.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future and a minimum of 12 months from the date of signing the financial statements. Specifically, the directors have considered the impact of both Covid-19 and Brexit on the future performance of the Company.

The Company as part of the wider Grosvenor Limited Group is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants. Similarly, the Company continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

The Directors have considered the going concern assumption for the Company in light of these developments and considered the possible impact of Brexit and Covid-19, for example on income and availability of funding, in determining the possible impact on the Company's cash flow forecasts for the period ending 31 December 2022. On the basis of the Company's continued forecast liquidity, the Directors consider it appropriate to prepare the accounts on a going concern basis.

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,454,819 (2019 - £4,908,950).

The directors recommended payment of a dividend of £3,000,000 (2019 - £5,000,000).

DIRECTORS

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

A C Bond (appointed 1 July 2020)
C J Jukes (appointed 1 July 2020)
R F C Blundell (resigned 30 June 2020)
S G Harding-Roots (resigned 30 June 2020)
C D McWilliam (resigned 10 January 2020)

GCH INVESTMENTS (2) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since 31 December 2020.

AUDITOR

Deloitte LLP has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 March 2021 and signed on its behalf.

Derek Lewis

D J Lewis
Company Secretary

GCH INVESTMENTS (2) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GCH INVESTMENTS (2) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GCH INVESTMENTS (2) LIMITED

OPINION

In our opinion the financial statements of GCH Investments (2) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework";
- and have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

GCH INVESTMENTS (2) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GCH INVESTMENTS (2) LIMITED

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 respect of this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED 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 considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

GCH INVESTMENTS (2) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GCH INVESTMENTS (2) LIMITED

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the 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 any material misstatements in the directors' report.

GCH INVESTMENTS (2) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GCH INVESTMENTS (2) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

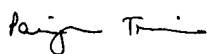
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

USE OF OUR REPORT

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



Parizan Trewin FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London

United Kingdom

18 March 2021

GCH INVESTMENTS (2) LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Income from investments	6	2,500,000	5,000,000
Profit before tax		2,500,000	5,000,000
Tax on profit	7	(45,181)	(91,050)
Profit for the year		2,454,819	4,908,950

There were no recognised gains and losses or items of other comprehensive income for 2020 or 2019 other than those included in the income statement and, as a result, no statement of comprehensive income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

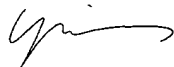
All activities in the current and prior year are derived from continuing operations.

GCH INVESTMENTS (2) LIMITED
REGISTERED NUMBER: 08235495

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	2,280,584	2,325,765
		<u>2,280,584</u>	<u>2,325,765</u>
Creditors: amounts falling due within one year	9	(1,482,097)	(982,097)
NET CURRENT ASSETS		<u>798,487</u>	<u>1,343,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>798,487</u>	<u>1,343,668</u>
 NET ASSETS			
		<u><u>798,487</u></u>	<u><u>1,343,668</u></u>
 CAPITAL AND RESERVES			
Called up share capital	11	1	1
Retained earnings	12	798,486	1,343,667
		<u>798,487</u>	<u>1,343,668</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 March 2021.



.....
C J Jukes
 Director

The notes on pages 11 to 19 form part of these financial statements.

GCH INVESTMENTS (2) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2019	1	1,434,717	1,434,718
Profit for the year	-	4,908,950	4,908,950
Dividends paid	-	(5,000,000)	(5,000,000)
At 1 January 2020	1	1,343,667	1,343,668
Profit for the year	-	2,454,819	2,454,819
Dividends paid	-	(3,000,000)	(3,000,000)
At 31 December 2020	1	798,486	798,487

The notes on pages 11 to 19 form part of these financial statements.

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

GCH Investments (2) Limited (the 'Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The Financial Statements are prepared in Sterling.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The financial statements have been prepared under the historical cost basis, except for the revaluation of certain assets and liabilities that are restated at revalued amounts or for values at the end of each reporting period.

Historical cost is generally based on the value of the consideration given in exchange for the assets.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

The following accounting policies have been applied:

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 'Financial Instruments: Disclosures'
- the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 118(e) of IAS 38 Intangible Assets; and
 - paragraphs 76 and 79(d) of IAS 40 'Investment Property'
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements'
- the requirements of IAS 7 'Statement of Cash Flows'
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures'
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'.

Where required, equivalent disclosures are given in the group accounts of Grosvenor Limited. The group accounts of Grosvenor Limited are available to the public and can be obtained as set out in note 13.

2.3 GOING CONCERN

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

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 DEBTORS

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

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

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

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

2.5 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

2.6 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach, permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.8 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.9 INCOME FROM INVESTMENTS

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from these estimates.

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

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

4. AUDITORS' REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2020 £	2019 £
Fees for audit services	2,500	2,270
	<u>2,500</u>	<u>2,270</u>

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

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

5. DIRECTORS' REMUNERATION

No fees or other emoluments were paid to the directors of the Company during either the current or the preceding year in respect of their services to the Company. The directors are paid by Grosvenor Estate Management Limited.

There were no employees of the Company for the current or preceding year.

GCH INVESTMENTS (2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. INCOME FROM INVESTMENTS

	2020 £	2019 £
Income from investments	2,500,000	5,000,000
	<u>2,500,000</u>	<u>5,000,000</u>

7. TAXATION

The total current tax for the year is £nil (2019 - £nil).

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	-	151,486
Effect of tax rate changes	-	(15,946)
Adjustment for prior years	45,181	(44,490)
Total deferred tax	<u>45,181</u>	<u>91,050</u>
Tax on profit	<u>45,181</u>	<u>91,050</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2019- lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	2,500,000	5,000,000
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	475,000	950,000
Effects of:		
Adjustment in respect of prior years	45,181	(44,490)
Effect of tax rate change on deferred tax	-	(15,946)
Other items attracting no tax relief or liability	(118,597)	(359,803)
Group relief received for no consideration	(356,403)	(438,711)
Total tax charge for the year	<u>45,181</u>	<u>91,050</u>

GCH INVESTMENTS (2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TAXATION (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2020.

The schedule reduction in Corporation Tax from 19% to 17% from 1 April 2020 was revoked in the Budget on 11 March 2020 and substantively enacted on 17 March 2020. The rate application from 1 April 2020 remains at 19%. A deferred tax rate of 19% has therefore been applied to opening balances and movements in deferred tax in the year ended 31 December 2020.

The UK Budget on 3 March 2021 announced an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023. This change was not substantively enacted at the balance sheet date and therefore has not been reflected in the measurement of deferred tax balances at the period end.

8. DEBTORS: Amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	2,280,584	2,280,584
Deferred taxation (Note 10)	-	45,181
	<u>2,280,584</u>	<u>2,325,765</u>

There are no interest bearing amounts owed by group undertakings at 31 December 2020. (2019 - £nil).

Amounts owed by group undertakings are repayable on demand.

9. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	1,482,097	982,097
	<u>1,482,097</u>	<u>982,097</u>

There are no interest bearing amounts owed to group undertakings at 31 December 2020 (2019 - £nil).

Amounts owed to group undertakings are repayable on demand.

GCH INVESTMENTS (2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. DEFERRED TAXATION

	2020 £
At 1 January 2020	45,181
Charged to the income statement	(45,181)
At 31 December 2020	-

The deferred tax asset is made up as follows:

	2020 £	2019 £
Deferred tax asset arising on sale of investment's trading property	-	45,181
	-	45,181

11. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1

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

GCH INVESTMENTS (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. RESERVES

Called up share capital

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

Non-distributable reserves

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

Distributable reserves

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

The split of retained earnings between non-distributable and distributable reserves are detailed below:

	Non- distributable	Distributable	Total
	£	£	£
At 1 January 2020	-	1,343,667	1,343,667
Realised profits	-	2,454,819	2,454,819
Dividends paid	-	(3,000,000)	(3,000,000)
At 31 December 2020	-	798,486	798,486

13. CONTROLLING PARTY

The Company's ultimate parent undertaking is Grosvenor Group Limited, a company incorporated in the United Kingdom and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the Duke of Westminster.

The ultimate parent undertaking heads the largest group of undertakings of which the Company is a member and for which group accounts are prepared. Grosvenor Limited, the intermediate holding company, heads the smallest group of undertakings of which the Company is a member and for which group accounts are prepared. Grosvenor Developments Limited is the immediate holding company.

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.

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