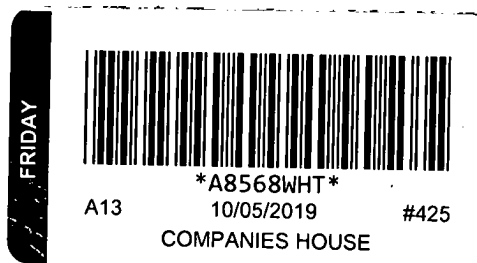


**GRIP UK Holdings Limited**  
**Financial statements**  
**31 December 2018**



# **GRIP UK Holdings Limited**

## **Financial statements**

**Year ended 31 December 2018**

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# **GRIP UK Holdings Limited**

## **Officers and professional advisers**

### **The board of directors**

Vanessa K Simms  
Helen C Gordon  
Andrew P Saunderson

### **Company secretary**

Adam McGhin

### **Registered office**

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

### **Auditor**

KPMG LLP  
Chartered accountant & statutory auditor  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

# GRIP UK Holdings Limited

## Directors' report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

### Principal activities

The principal activity of the company during the year was that of a holding company. The director does not recommend the payment of a dividend (2017: £nil).

### Directors

The directors who served the company during the year, and up to the date of signing, were as follows:

Vanessa K Simms	
Helen C Gordon	(Appointed 13 March 2019)
Andrew P Saunderson	(Appointed 13 March 2019)
Sarah H Slater	(Resigned 20 December 2018)
Martijn Vos	(Resigned 20 December 2018)

### Strategic report

The company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to prepare a strategic report.

### Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# GRIP UK Holdings Limited

## Directors' report *(continued)*

Year ended 31 December 2018

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### Auditor

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

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

KPMG LLP were appointed as auditor during the year, and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Small company provisions

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

This report was approved by the board of directors on 11 April 2019 and signed on behalf of the board by:



Vanessa K Simms  
Director

## **Independent auditor's report to the members of GRIP UK Holdings Limited**

### **Opinion**

We have audited the financial statements of GRIP UK Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Going concern**

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

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

## **Independent auditor's report to the members of GRIP UK Holdings Limited (continued)**

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

### **Directors' report**

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

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

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

**Independent auditor's report to the members of GRIP UK Holdings Limited (continued)**

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



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



# GRIP UK Holdings Limited

## Statement of comprehensive income

Year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		(6,983)	(6,221)
<b>Operating loss</b>	<b>4</b>	<b>(6,983)</b>	<b>(6,221)</b>
Amounts written back to/(written off) investments		<u>33,463</u>	<u>(33,463)</u>
<b>Profit/(loss) before taxation</b>		<b>26,480</b>	<b>(39,684)</b>
Tax on profit/(loss)	<b>5</b>	<u>—</u>	<u>—</u>
<b>Profit/(loss) for the financial year and total comprehensive income/(loss)</b>		<b><u>26,480</u></b>	<b><u>(39,684)</u></b>

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

# GRIP UK Holdings Limited

## Statement of financial position

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	6	55,375,846	37,342,383
<b>Current assets</b>			
Debtors	7	1,360	—
Cash at bank and in hand		836,595	2,925,918
		<u>837,955</u>	<u>2,925,918</u>
<b>Creditors: amounts falling due within one year</b>	8	(2,402)	(2,935,591)
<b>Net current assets/(liabilities)</b>		<u>835,553</u>	<u>(9,673)</u>
<b>Total assets less current liabilities</b>		<u>56,211,399</u>	<u>37,332,710</u>
<b>Net assets</b>		<u>56,211,399</u>	<u>37,332,710</u>
<b>Capital and reserves</b>			
Called up share capital	9	56,228,103	37,375,894
Profit and loss account	10	(16,704)	(43,184)
<b>Members funds</b>		<u>56,211,399</u>	<u>37,332,710</u>

These financial statements were approved by the board of directors and authorised for issue on 11 April 2019, and are signed on behalf of the board by:



Vanessa K Simms  
Director

Company registration number: 10172912

The notes on pages 10 to 14 form part of these financial statements.

# GRIP UK Holdings Limited

## Statement of changes in equity

Year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 January 2017</b>	100	(3,500)	(3,400)
Loss for the year	—	(39,684)	(39,684)
<b>Total comprehensive loss for the year</b>	—	(39,684)	(39,684)
Issue of shares	37,375,794	—	37,375,794
<b>Total investments by and distributions to owners</b>	37,375,794	—	37,375,794
<b>At 31 December 2017</b>	37,375,894	(43,184)	37,332,710
Profit for the year	—	26,480	26,480
<b>Total comprehensive income for the year</b>	—	26,480	26,480
Issue of shares	18,852,209	—	18,852,209
<b>Total investments by and distributions to owners</b>	18,852,209	—	18,852,209
<b>At 31 December 2018</b>	56,228,103	(16,704)	56,211,399

The notes on pages 10 to 14 form part of these financial statements.

# GRIP UK Holdings Limited

## Notes to the financial statements

Year ended 31 December 2018

### 1. General information

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

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

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

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

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of GRIP REIT plc which can be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- (c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- (d) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

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

# GRIP UK Holdings Limited

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

Year ended 31 December 2018

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

#### **Income tax**

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

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

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

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

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

#### **Investments**

Fixed asset investments are stated at cost less any provisions for diminution in value. An impairment loss is recognised for the amount by which the carrying value of the investment exceeds its recoverable amount.

#### **Group accounts**

The financial statements contain information about GRIP UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of GRIP REIT plc, a company registered in England and Wales.

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

Non-derivative financial instruments comprise cash and cash equivalents, loans and borrowings, and other creditors.

Other creditors are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method.

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

# GRIP UK Holdings Limited

## Notes to the financial statements (continued)

Year ended 31 December 2018

### 3. Accounting policies (continued)

#### REIT status

The GRIP REIT plc group (the Group) is a UK Real Estate Investment Trust ("REIT") and does not pay corporation tax on qualifying property rental business profits provided that at least 90% of the Group's property income is distributed to shareholders within specified time limits. This distribution (Property Income Dividend) is taxed as property income in the shareholders' hands. In addition the REIT has to meet the other obligations of the REIT regime which includes limits on the levels of non property rental business it can undertake. The Directors' view is that all REIT compliance tests have been met to ensure that REIT status is satisfied.

Any Group profits which do not qualify for exemption under the UK REIT regime remain subject to UK tax in accordance with UK tax law.

Effective 1 January 2019, the Group voluntarily exited the REIT regime. Tax exemptions that applied within the REIT regime will cease to apply from the date of exit.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The directors have considered whether there are any such sources of estimation or critical accounting judgements in preparing the financial statements and do not consider there to be any for the purposes of disclosure.

### 4. Operating loss

Operating loss is stated after charging:

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>2,400</u>	<u>2,830</u>

The company has no employees (2017: none).

### 5. Tax on profit/(loss)

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit/(loss) on ordinary activities before taxation	<u>26,480</u>	<u>(39,684)</u>
Profit/(loss) on ordinary activities by rate of tax	5,031	(7,639)
Amounts (written back to)/written off investments not taxable	(6,358)	6,442
Deferred tax not provided for	–	1,197
Tax losses surrendered for no consideration	<u>1,327</u>	–
Tax on profit/(loss)	<u>–</u>	<u>–</u>

# GRIP UK Holdings Limited

## Notes to the financial statements (continued)

Year ended 31 December 2018

### 5. Tax on profit/(loss) (continued)

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

The company has unrecognised deferred tax assets of £nil (2017: £1,057) calculated at 17% in respect of tax losses.

### 6. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2018	37,375,846
Additions	18,000,000
<b>At 31 December 2018</b>	<b>55,375,846</b>
<b>Impairment</b>	
At 1 January 2018	33,463
Reversal of impairment losses	(33,463)
<b>At 31 December 2018</b>	<b>—</b>
<b>Carrying amount</b>	
<b>At 31 December 2018</b>	<b>55,375,846</b>
At 31 December 2017	37,342,383

The company owns 100% of the issued share capital of GRIP UK Property Developments Limited and GRIP UK Property Investments Limited, who are both registered at Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

### 7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	1,360	—

Amounts owed by group undertakings are unsecured, bear no interest and are repayable on demand.

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

	2018 £	2017 £
Amounts owed to group undertakings	—	2,933,189
Accruals and deferred income	2,402	2,402
	<b>2,402</b>	<b>2,935,591</b>

# GRIP UK Holdings Limited

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

Year ended 31 December 2018

### 8. Creditors: amounts falling due within one year *(continued)*

Amounts owed to group undertakings are unsecured, bear no interest, and are repayable on demand.

### 9. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>56,228,103</u>	<u>56,228,103</u>	<u>37,375,894</u>	<u>37,375,894</u>

During the year the company issued 18,852,209 ordinary £1 shares for consideration of £1 each. The shares have full voting, dividend and capital distribution rights.

### 10. Reserves

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

### 11. Controlling party

GRIP REIT plc is the immediate controlling party and parent company by virtue of its 100% shareholding in the company. Grainger plc indirectly owns 100% of GRIP REIT plc and is viewed as the ultimate controlling party.

The smallest group in which the results of the company are consolidated is GRIP REIT plc whose accounts are obtainable from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.