

Registered number: 10179841

32-42 BPR LIMITED

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

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32-42 BPR LIMITED

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32-42 BPR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The directors present their Annual Report on the affairs of 32-42 BPR Limited (the 'Company') together with the financial statements for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the Company during the year was investment in property in the United Kingdom and development of property for sale. The Company is a subsidiary of Grosvenor Limited (together with its subsidiaries the 'Group').

The Company holds investment property which has contracted revenue schemes under lease agreements in place with a diverse mix of tenants.

The Company is in a net liabilities position of £1,125,239 (2021: £1,138,309), and has net current liabilities of £7,584,466 (2021: £7,885,016). The Company made a profit of £13,070 (2021: £245,227) in the year ended 31 December 2022.

GOING CONCERN

The intermediate holding company, Grosvenor Limited, has provided the directors of the Company with a letter of support. This confirms that Grosvenor Limited intends to support the Company for a period of no less than twelve months from the date of signing the accounts, provided that the Company remains a wholly owned subsidiary of Grosvenor Limited. Grosvenor Limited intends to enable it to meet its liabilities as they fall due.

A Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2024 has been completed.

The Company as part of the wider Grosvenor Group is continuing to monitor the ongoing volatility in the macroeconomic climate. This uncertainty is contributed to by the ongoing conflict in Ukraine, residential effects of the global pandemic, and significant volatility in the financial markets. Through continual monitoring, the Group ensures that as a whole it can withstand significant economic shocks.

The directors have considered the going concern assumption for the Group in light of these development and considered the possible impact, for example on income and availability of funding, in the Group's cash flow forecasts for the period ending 31 December 2024. 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 £13,070 (2021: £245,227).

The directors recommended and paid a dividend of £nil during the year (2021: £1,000,000).

32-42 BPR LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS

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

A M Bright (resigned 11 March 2022, reappointed 10 October 2022)
M J Conway (appointed 4 January 2022)
C A Henderson
P F O'Grady
J F MacDiarmid (appointed 1 December 2022)
P M Townley (appointed 1 December 2022)
D C Lee (appointed 1 April 2022, resigned 10 October 2022)

FUTURE DEVELOPMENTS

No significant changes in the Company's strategy or operations are planned.

As outlined on page 1 the Group continues to monitor the potential operational and financial impacts of Russia's invasion of Ukraine, the financial market volatility and the uncertainty that these events have caused.

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 s418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since 31 December 2022.

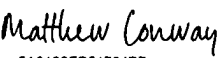
AUDITOR

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 and signed on its behalf by:

DocuSigned by:

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M J Conway
Director

Date: 23 March 2023

32-42 BPR LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Annual 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 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.

32-42 BPR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 32-42 BPR LIMITED

OPINION

In our opinion the financial statements of 32-42 BPR Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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 16.

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 Auditors' 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 United Kingdom, 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.

32-42 BPR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 32-42 BPR 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 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.

32-42 BPR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 32-42 BPR 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 group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations 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.

As a result of performing the above, we identified the greatest potential for fraud in the validity of the data used by the external valuers in their estimation of the fair value of the investment property.

- Validity of data used by the external valuers in the estimation of the fair value of investment property – there is a potential fraud risk in management's ability to influence the lease data provided to the external valuers. To address this fraud risk, we obtained and documented an understanding of relevant controls in the valuation process and in particular the information provided to the valuers. We tested the completeness and accuracy of a sample of the data provided to the external valuers through agreeing a sample of the information provided to the external valuers to underlying lease agreements.
- Accounting for investment property disposals – there is a potential fraud risk in relation to management recognising investment property disposals in the incorrect period in order to manipulate the financial statements. To address this fraud risk, we have audited a sample of disposals made in December 2022 and January 2023 to ensure they have been recognised in the correct period based on the transaction completion date.

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.

32-42 BPR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 32-42 BPR LIMITED

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 strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

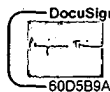
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic 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.

DocuSigned by:

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Parizan Trewin FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London

United Kingdom

Date: 23 March 2023

32-42 BPR LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	281,479	268,605
Cost of sales		(134,947)	(8,702)
Gross profit		146,532	259,903
Loss on revaluation of investment property	8	(177,914)	(154,864)
Expected credit gain/(loss) against trade and other receivables, including contract assets	5	6,871	(14,933)
Operating (loss)/profit	5	(24,511)	90,106
Interest receivable and similar income		-	18
Interest payable and similar expenses		(41)	-
(Loss)/profit before tax		(24,552)	90,124
Tax credit on (loss)/profit	7	37,622	155,103
Profit for the year		13,070	245,227

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement.

The notes on pages 11 to 27 form part of these financial statements.

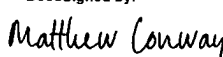
All activities in the current year and prior period are derived from continuing operations.

32-42 BPR LIMITED
REGISTERED NUMBER: 10179841

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investment property	8	5,950,001	6,120,000
Debtors: amounts falling due after more than one year	9	509,226	626,707
		<u>6,459,227</u>	<u>6,746,707</u>
Current assets			
Debtors: amounts falling due within one year	9	308,308	83,555
Cash at bank and in hand	10	102,721	103,149
		<u>411,029</u>	<u>186,704</u>
Creditors: amounts falling due within one year	11	(7,995,495)	(8,071,720)
Net current liabilities		<u>(7,584,466)</u>	<u>(7,885,016)</u>
Net liabilities		<u>(1,125,239)</u>	<u>(1,138,309)</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account	14	(1,125,240)	(1,138,310)
Total equity		<u>(1,125,239)</u>	<u>(1,138,309)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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M J Conway
 Director
 23 March 2023

The notes on pages 11 to 27 form part of these financial statements.

32-42 BPR LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	(383,537)	(383,536)
Profit for the year	-	245,227	245,227
Dividends paid	-	(1,000,000)	(1,000,000)
At 1 January 2022	1	(1,138,310)	(1,138,309)
Profit for the year	-	13,070	13,070
Dividends paid	-	-	-
At 31 December 2022	1	(1,125,240)	(1,125,239)

The notes on pages 11 to 27 form part of these financial statements.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

32-42 BPR Limited ('the Company') is a private limited company 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 principal activity of the Company during the year was investment in property in the United Kingdom and development of property for sale.

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.

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 financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

The following accounting policies have been applied:

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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;
- 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 and 18A 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 130(f)(ii), 130(f)(iii), 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 16.

**NEW STANDARDS, AMENDMENTS, IFRIC INTERPRETATIONS AND NEW
2.3 RELEVANT DISCLOSURE REQUIREMENTS**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

The intermediate holding company, Grosvenor Limited, has provided the directors of the Company with a letter of support. This confirms that Grosvenor Limited intends to support the Company for a period of no less than twelve months from the date of signing the accounts, provided that the Company remains a wholly owned subsidiary of Grosvenor Limited. Grosvenor Limited intends to enable it to meet its liabilities as they fall due.

A Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2024 has been completed.

The Company as part of the wider Grosvenor Group is continuing to monitor the ongoing volatility in the macroeconomic climate. This uncertainty is contributed to by the ongoing conflict in Ukraine, residential effects of the global pandemic, and significant volatility in the financial markets. Through continual monitoring, the Group ensures that as a whole it can withstand significant economic shocks.

The directors have considered the going concern assumption for the Group in light of these development and considered the possible impact, for example on income and availability of funding, in the Group's cash flow forecasts for the period ending 31 December 2024. 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.

2.5 TURNOVER

The turnover shown in the Income Statement represents rents, license fees, service charges, and property management fees and amounts receivable in relation to property development sales in the year, excluding VAT.

Rental income from operating leases is recognised on a straight line basis over the lease term, even if the payments are not received on such a basis. The cost of operating lease incentives are similarly spread, in accordance with IFRS 16, on a straight line basis over the lease term.

Turnover and profit before tax are attributable to the one principal activity of the Company and arise entirely in the United Kingdom.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

When the Company begins to redevelop an existing investment property for continued future use as investment property, the property continues to be classified as an investment property and is carried at fair value with valuation gains and losses being recorded in the Income Statement.

Profits and losses on the disposal of investment properties are recognised on completion, are calculated by reference to book value and are included in the Income Statement.

2.7 DEVELOPMENT PROPERTIES

Development properties are held as current assets and are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees, and construction costs but excludes overheads. Net realisable value is the estimated selling price at completion less the estimated costs of completion including the estimated costs necessary to make the sale.

Sales of development properties are recognised on completion of contracts or, if completion is conditional, on the date all material conditions have been satisfied. Credit is not taken for profit during the construction period. Where it is forecast that a project will be loss making, a provision is recognised for the unavoidable cost of completing the development.

In the event that a development property is retained as an investment, it is transferred to the investment portfolio at the lower of cost and net realisable value at the date of transfer and any loss recognised in the Income Statement.

2.8 OPERATING LEASES: THE COMPANY AS LESSOR

Rental income from operating leases is credited to the Income Statement on a straight-line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income on a straight-line basis over the length of the lease.

Premiums received and book values derecognised on the sale of operating leases are deferred to the Balance Sheet and released to the Income Statement on a straight-line basis over the length of the lease.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 DEBTORS

Trade debtors, 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 debtors, the Company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.11 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 debtors), 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 debtors, 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 debtors 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.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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.

2.13 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 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 at an annual general meeting.

2.15 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.16 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.17 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 tax 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 values 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.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

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.

3.1 Significant judgements in applying the Company's accounting policies

The following are critical judgements, apart from those involving estimations (which are dealt with separately below) that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Leases

The accounting treatment for a lease is determined by its classification as either an operating lease or a finance lease. Lease classification requires judgement in determining whether substantially all of the risks and benefits associated with ownership have been transferred between the lessor and lessee.

When operating lease premiums are received in exchange for the grant of a long leasehold interest that is classified as an operating lease, the related profit is recognised over the term of the lease. Many of the transactions giving rise to deferred lease premiums took place a number of years ago before the requirement to spread profit recognition; the Company applies judgement to estimate certain of the lease premium deferrals and associated deferred tax assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Property valuations

Due to the size of the investment property portfolio held on the balance sheet at market value small changes to the estimates used to derive the market values can have a significant impact on the valuations and therefore a significant impact on the results and financial position of the Group. This includes the value of property yields and the estimated future rental income assumed in the valuations.

As deferred tax is provided on investment properties by reference to the tax that would be due on the ultimate sale of the properties, changes to the estimates used to derive the market values would also have an impact on the deferred tax provided.

The sensitivity of the assumptions used in valuing the investment property portfolio are outlined in note 8.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Gross rental income	264,169	265,545
Other income	17,310	3,060
	<u>281,479</u>	<u>268,605</u>

All turnover arose within the United Kingdom.

5. OPERATING (LOSS)/PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Loss on revaluation of investment property	177,914	154,864
Expected credit (gain)/loss against trade and other receivables, including contract assets	(6,871)	14,933
	<u></u>	<u></u>

6. AUDITOR'S REMUNERATION

	2022	2021
	£	£
Fees for audit services	9,100	8,500
	<u></u>	<u></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.

32-42 BPR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. TAXATION

The total current tax for the year is £nil (2021: £nil).

	2022 £	2021 £
DEFERRED TAX		
Origination and reversal of timing differences	(28,593)	(9,573)
Changes to tax rates	(9,029)	(150,410)
Adjustment for prior years	-	4,880
TOTAL DEFERRED TAX	(37,622)	(155,103)
TAX ON PROFIT	(37,622)	(155,103)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit before tax	(24,552)	90,124
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,665)	17,124
EFFECTS OF:		
Effect of tax rate change on deferred tax	(9,030)	(150,410)
Adjustments to tax charge in respect of prior periods	-	4,880
Adjustment for indexation	1,504	15,605
Other items attracting no tax relief or liability	-	142,281
Group relief received for no consideration	(25,431)	(184,583)
TOTAL TAX CREDIT FOR THE YEAR	(37,622)	(155,103)

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022. From 1 April 2023, the UK corporation tax will rise to 25% (Finance Act 2021).

A deferred tax rate of 25% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2022.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. INVESTMENT PROPERTY

	Long term leasehold investment property £
VALUATION	
At 1 January 2022	6,120,000
Loss on revaluation of investment property	(177,914)
Amortisation of deferred lease incentives and premiums	7,915
AT 31 DECEMBER 2022	5,950,001

The majority of investment properties that are leased out under operating leases have leases in the range of between 6 months and 15 years in length.

Investment property was independently valued at 31 December 2022 by CBRE. The valuation was performed on a fair value basis in accordance with the Royal Institution of Chartered Surveyors' Valuation Professional Standards guidelines and performed in accordance with International Valuation Standards.

The historical cost of properties was £8,674,853 (2021: £8,674,853).

The amount recognised in profit or loss for the year for rental income from investment property is £264,169 (2021: £265,545) and direct operating expenses (excluding major refurbishment expenditure) arising from investment property that generated rental income during the period are £5,646 (2021: £91,724).

At 31 December 2022 there were no contractual obligations in place to purchase, construct or development investment property or for repairs, maintenance or enhancements (2021: £nil).

At 31 December 2022 no investment properties were pledged as security for borrowings (2021: none).

At 31 December 2022 the Company had investment properties with a fair value of £nil (2021: £nil) under offer from third parties.

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. INVESTMENT PROPERTY (CONTINUED)

The following table shows the impact (in isolation) of changes in key unobservable inputs on the fair values of investment property recognised in the balance sheet by class of asset:

		Impact on Valuations			
Class of Property	Valuation/ FV 2022 £'000	+5% ERV £'000	-5% ERV £'000	+25bp NEY £'000	-25bp NEY £'000
Retail	5,950	245	(245)	(294)	324
Total	5,950	245	(245)	(294)	324
Class of Property	Valuation/ FV 2021 £'000	+5% ERV £'000	-5% ERV £'000	+25bp NEY £'000	-25bp NEY £'000
Retail	6,120	245	(245)	(294)	324
Total	6,120	245	(245)	(294)	324

9. DEBTORS

	2022 £	2021 £
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset (note 12)	509,226	626,707
	<u>509,226</u>	<u>626,707</u>
	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	162,516	144,155
Expected credit loss provision	(10,768)	(76,770)
Other debtors	60	14,773
Prepayments and accrued income	1,397	1,397
Deferred taxation (note 12)	155,103	-
	<u>308,308</u>	<u>83,555</u>

32-42 BPR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. CASH AND CASH EQUIVALENTS**

	2022	2021
	£	£
Restricted cash held on behalf of third parties	102,721	103,149

Restricted cash held on behalf of third parties includes funds held in relation to a tenant deposit.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	94,861	80,704
Amounts owed to group undertakings	7,714,875	7,833,026
Other creditors	100,207	100,207
Accruals and deferred income	85,552	57,783
	7,995,495	8,071,720

There are no interest bearing amounts owed to group undertakings at 31 December 2022 (2021: £nil). Amounts owed to group undertakings are repayable on demand.

12. DEFERRED TAXATION

	2022	
	£	
At 1 January 2022	626,707	
Credited to the Income Statement	37,622	
Charged to other comprehensive income	-	
At 31 December 2022	664,329	
	2022	2021
	£	£
Investment property - contingent gains	681,213	638,713
Other property plant and equipment	(16,884)	(12,006)
	664,329	626,707

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. COMMITMENTS UNDER OPERATING LEASES: THE COMPANY AS LESSOR

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	271,000	255,486
Later than 1 year and not later than 2 years	271,000	217,500
Later than 2 years and not later than 3 years	237,507	217,500
Later than 3 years and not later than 4 years	196,000	184,007
Later than 4 years and not later than 5 years	184,603	142,500
Later than 5 years	1,233,411	1,151,466
	<u>2,393,521</u>	<u>2,168,459</u>

14. 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 reserve contains the balance of the profit and loss account to carry forward which are not available for distribution.

Distributable reserves

The reserve contains the balance of the profit and loss account 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 2022	(2,073,679)	935,369	(1,138,310)
Profit for the year	-	13,070	13,070
At 31 December 2022	<u>(2,073,679)</u>	<u>948,439</u>	<u>(1,125,240)</u>

32-42 BPR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. CALLED UP SHARE CAPITAL

	2022	2021
	£	£
Alotted, called up and fully paid		
1 (2021: 1) Ordinary share of £1.00	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

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

16. 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.

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.