Registered number: 11680733

251 SOUTHWARK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

251 SOUTHWARK LIMITED

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251 SOUTHWARK LIMITED

COMPANY INFORMATION

Director	R S Coetzee
Registered number	11680733
Registered office	2nd Floor Kingsbourne House 229-231 High Holborn London WC1V 7DA
Independent auditor	KPMG Chartered Accountants & Statutory Auditor 1 Stokes Place St. Stephens Green Dublin D02 DE03

The director presents his report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the company is property investment.

Results and dividends

The loss for the year, after taxation, amounted to £4,319,553 (2020 - loss £2,516,014).

The directors have not recommended a dividend.

Director

The directors who served during the year were:

R S Coetzee (appointed 1 September 2021)
O Vazana (resigned 1 September 2021)

Disclosure of information to auditor

The director at the time when this director's 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.

Subsequent events and going concern

Subsequent to the year end, the term of the company's loan from the group was extended. The term was extended so the loan becomes due for repayment in 2029.

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has incurred losses in the year ended 31 December 2021 and is in a net liabilities position following the revaluation of the company's investment property. The company's principal creditor is a group entity. Subsequent to the year end the term of the company's group loan was extended to 2029. The company has also obtained a letter of support from its ultimate parent, confirming support to the company for at least a period of twelve months from date of approval of the company's financial statements, in order to meet its short term financial needs. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, he continues to adopt the going concern basis in preparing the financial statements

Auditor

The auditor, KPMG, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies exemptions

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

Strategic Report

The company has availed of the exemptions under the Companies Act 2006 (Strategic report and Directors' report) regulation 2013 from implementing the strategic report requirements as the company qualifies as a small company for company law purposes.

This report was approved by the sole director.

Russell Coetzee

R S Coetzee
Director

Date: 12 December 2022

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

KPMG

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of 251 Southwark Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of 251 Southwark Limited ("the company") for the year ended 31 December 2021, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as of 31 December 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 the date 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.

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.

KPMG

Independent auditor's report to the members of 251 Southwark Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;

KPMG

Independent auditor's report to the members of 251 Southwark Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Opinions on other matters prescribed by the Companies Act 2006 *(continued)*

- in our opinion, the directors' 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.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including 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.

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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Our 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.

Eamon Dillon

Eamon Dillon ***(Senior Statutory Auditor)*** ***14 December 2022***
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephen's Green Dublin 2

251 SOUTHWARK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	**1,554,914**	1,384,829
Administrative expenses		**(1,058,081)**	(645,506)
Fair value movements	10	**(4,600,000)**	(869,184)
Operating loss		**(4,103,167)**	(129,861)
Interest payable and similar expenses	7	**(1,125,823)**	(2,251,645)
Loss before tax		**(5,228,990)**	(2,381,506)
Tax on loss	8	**909,437**	(134,508)
Loss for the financial year		**(4,319,553)**	(2,516,014)

There are no items of other comprehensive income for the year other than the loss for the year. Accordingly, no statement of other comprehensive income has been presented.

251 SOUTHWARK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	9		**57,262**		128,188
Investment property	10		**46,300,000**		50,900,000
			46,357,262		51,028,188
Current assets					
Debtors: amounts falling due after more than one year	11	**125,300**		42,695	
Debtors: amounts falling due within one year	11	**2,129,019**		1,682,816	
Cash at bank and in hand		**53,662**		383,218	
Creditors: amounts falling due within one year	12	**(50,198,772)**		(49,562,791)	
Net current liabilities			**(47,890,791)**		(47,454,062)
Total assets less current liabilities			**(1,533,529)**		3,574,126
Creditors: amounts falling due after more than one year	13		**(118,218)**		(54,148)
Provisions for liabilities					
Deferred tax	15	**(333,376)**		(1,185,548)	
			(333,376)		(1,185,548)
Net (liabilities)/assets			**(1,985,123)**		2,334,430
Capital and reserves					
Called up share capital	16		**1**		1
Profit and loss account			**(1,985,124)**		2,334,429
Total equity			**(1,985,123)**		2,334,430

The financial statements were approved and authorised for issue by the sole director.

Russell Coetzee

R S Coetzee
Director

Date: 12 December 2022

The notes on pages 11 to 21 form part of these financial statements.

251 SOUTHWARK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	4,850,443	4,850,444
Comprehensive income for the year			
Loss for the year	-	(2,516,014)	(2,516,014)
Total comprehensive income for the year	-	(2,516,014)	(2,516,014)
At 1 January 2021	1	2,334,429	2,334,430
Comprehensive income for the year			
Loss for the year	-	(4,319,553)	(4,319,553)
Total comprehensive income for the year	-	(4,319,553)	(4,319,553)
At 31 December 2021	1	(1,985,124)	(1,985,123)

The notes on pages 11 to 21 form part of these financial statements.

1. General information

251 Southwark Limited is a property investment company.

251 Southwark Limited is a private company limited by shares incorporated, domiciled and registered in England. The address of its registered office and principal place of business is 2nd Floor Kingsbourne House, 229-231 High Holborn, London, United Kingdom WC1V 7DA.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company was, at the end of the year, a wholly-owned subsidiary of Grand City Properties S.A., a company incorporated in the EEA, whose registered address is 37 Boulevard Joseph II, Luxembourg, L-1840.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, *11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);*
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Grand City Properties S.A. as at 31 December 2021 and these financial statements may be obtained from https://www.grandcityproperties.com.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has incurred losses in the year ended 31 December 2021 and is in a net liabilities position following the revaluation of the company's investment property. The company's principal creditor is a group entity. Subsequent to the year end the term of the company's group loan was extended to 2029. The company has also obtained a letter of support from its ultimate parent, confirming support to the company for at least a period of twelve months from date of approval of the company's financial statements, in order to meet its short term financial needs. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, he continues to adopt the going concern basis in preparing the financial statements

2. Accounting policies (continued)

2.3 Revenue

Revenue comprises rental income, service charges and other recoveries from tenants of the company's investment properties. Rental income is recognised on an accrual basis in the period in which it is earned, in accordance with the terms of the lease.

2.4 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Accounting policies (continued)

2.4 Financial instrument (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.6 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. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 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.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Property valuations

Valuation of property is a central component of the business. In estimating the fair value, the company engage a third party qualified valuer to perform the valuation. There is an inevitable degree of judgment involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

4. Turnover

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

	2021 £	2020 £
Rent receivable	**1,554,914**	1,384,829

All turnover arose within the United Kingdom.

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020 - £nil).

6. Auditor's remuneration

Auditor's remuneration was borne by another group company.

7. Interest payable

	2021 £	2020 £
Group interest payable	**1,125,823**	2,251,645

8. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on (loss)/profits for the year	**(57,265)**	105,417
Total current tax	**(57,265)**	105,417
Deferred tax		
Origination of timing differences	**(852,172)**	29,091
Total deferred tax	**(852,172)**	29,091
Taxation on (loss)/profit on ordinary activities	**(909,437)**	134,508

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2021 £	2020 £
(Loss) on ordinary activities before tax	**(5,228,990)**	(2,381,506)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(993,508)**	(452,486)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**189,724**	382,753
Capital allowances for year in excess of depreciation	**-**	9,727
Adjustments to tax charge in respect of prior periods	**(126,383)**	-
Changes in tax rates leading to an increase in taxation	**80,010**	136,054
Other differences leading to a (decrease)/increase in the tax charge	**(59,280)**	58,460
Total tax (credit)/charge for the year	**(909,437)**	134,508

Factors that may affect future tax charges

IIn the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2021	**223,105**
Additions	**1,899**
At 31 December 2021	**225,004**
Depreciation	
At 1 January 2021	**94,917**
Charge for the year on owned assets	**72,825**
At 31 December 2021	**167,742**
Net book value	
At 31 December 2021	**57,262**
At 31 December 2020	128,188

10. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	**50,900,000**
Deficit on revaluation	**(4,600,000)**
At 31 December 2021	**46,300,000**

The 2021 valuations were made by the director based on a valuation by Savills (UK) Limited, a firm accredited by the Royal Institution of Chartered Surveyors, principally adopting the open market, individual unit, comparable basis. The director applied a discount in value that would be required to adjust the value of the investment property if it was not sold on the individual unit basis but as a whole.

11. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	**125,300**	42,695

	2021 £	2020 £
Due within one year		
Trade debtors	**30,601**	125,050
Amounts owed by group undertakings	**1,680,331**	1,528,097
Other debtors	**3,883**	-
Prepayments	**53,922**	29,669
Accrued income	**343,307**	-
Tax recoverable	**16,975**	-
	2,129,019	1,682,816

Amounts owed by group undertakings are interest free and repayable on demand.

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**118,181**	323,417
Amounts owed to group undertakings	**45,032,904**	45,252,700
Corporation tax	**5,678**	118,927
Deferred income	**203,841**	133,268
Other creditors	**29,896**	-
Accruals	**4,808,272**	3,734,479
	50,198,772	49,562,791

Amounts owed to group undertakings bear interest at 2.5% p.a. and are repayable on demand.

13. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	**118,218**	54,148

14. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Amounts owed to group companies	**45,032,904**	45,252,700

15. Deferred taxation

	2021 £	2020 £
At beginning of year	**(1,185,548)**	(1,156,457)
Charged to profit or loss	**852,172**	(29,091)
At end of year	**(333,376)**	(1,185,548)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Unrealised gain on revaluation of investment property	**(333,376)**	(1,185,548)

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares shares of £0.01 each	**1**	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. Operating lessor

At 31 December 2021 the company had future minimum lease payments due to it under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	**832,994**	666,503
Later than 1 year and not later than 5 years	**200,502**	34,199
	1,033,496	700,702

18. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are wholly owned part of the group.

19. Events after the reporting period

Subsequent to the year end, the term of the company's loan from the group was extended. The term was extended so the loan becomes due for repayment in 2029.

20. Controlling party

The parent undertaking of the smallest and largest group for which group financial statements are drawn up and of which the company is a member is Grand City Properties S.A., whose registered office is at 37 Boulevard Joseph II, Luxembourg, L-1840. Copies of these group financial statements are available to the public from https://www.grandcityproperties.com.

The ultimate parent company is Grand City Properties S.A.

The immediate parent company is Profiterolio Limited.