Registered Company No: 12509653

PIC Properties GP Limited

Report and Financial Statements
For the period from incorporation to 31st December 2020

CONTENTS

Company Information

Directors

The Directors of the company are shown in the Directors' Report on page 4.

Registered office

14 Cornhill
London
EC3V 3ND

Registered Number

12509653 (England and Wales)

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Directors' Report
For the period from incorporation to 31st December 2020

The directors submit their report together with the financial statements for the period from incorporation to 31st December 2020.

Principal trading activities and business review

The company was incorporated on 10 March 2020.

The principal activity of the company is as a general partner of PIC Properties Limited Partnership, a master holding vehicle for a UK property portfolio.

As the company has not traded during the period it has made neither a profit nor a loss and accordingly an Income Statement and Other Comprehensive Income report has not been prepared.

Directors

The following directors held office during the period:

T M Blackwell	Appointed	10 March 2020
L J Inward	Appointed	10 March 2020
R P Sewell	Appointed	10 March 2020

Directors' interests

No director has a service contract or receives any remuneration from the company nor has any director received any remuneration from shareholders for their services to the company.

No director has at any time during the year held any personal interest in any significant or material contract with the company or has any rights to subscribe to shares or debentures in the company.

Contributions for charitable & political purposes

The company made no political or charitable donations during the period.

Qualifying third party indemnities

There are no qualifying third party indemnities in force at the time of this report.

Employees

The company has no employees.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate due to there being no anticipated transactions for the next 12 months from the date of signing these financial statements.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

KPMG LLP were appointed as the first auditors of the company. In accordance with section 487 of the Companies Act 2006, they will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

Directors' Report (continued)
For the period from incorporation to 31st December 2020

Strategic Report

In accordance with section 414A (2) of the Companies Act 2006, the company is not required to present a strategic report, on the basis that the company is entitled to the small company exemption.

By order of the Board

....

R P Sewell
Director
Company Registration Number: 12509653
14 Cornhill, London, EC3V 3ND

Date: 28 September 2021

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to present and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed and, where appropriate, to external advisers.

Independent Auditor's Report
To the Members of PIC Properties GP Limited

Opinion

We have audited the financial statements of PIC Properties GP Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006; 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.

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 their 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 their 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 companies' business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Pension Insurance Corporation Group's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports 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 those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 and 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 (continued)
To the Members of PIC Properties GP Limited

Auditor's responsibilities

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 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.

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.

Philip Smart

Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

28 September 2021

Income Statement and Other Comprehensive Income
For the period from incorporation to 31st December 2020

The company has not traded during the period since incorporation and has received no income nor incurred any costs. Therefore, the company has made neither a profit nor a loss and incurred no other gains or losses. Consequently, no income statement and other comprehensive income report has been prepared.

The notes on pages 14-15 form part of these financial statements.

Statement of Financial Position
As at 31st December 2020

	Note	2020 £
NON-CURRENT ASSETS		-
CURRENT ASSETS		
Cash and cash equivalents		1
CURRENT LIABILITIES		
CREDITORS: amounts falling due within one year		-
NET CURRENT ASSETS		1
NET ASSETS		1
Capital and reserves		
Called up share capital	2	1
Profit and loss account		-
EQUITY SHAREHOLDERS' FUNDS		1

The notes on pages 14-15 form part of these financial statements.

The financial statements were approved by the Board of Directors on 28 September 2021 and were signed on its behalf by:

....
R P Sewell
Director
Company Registration Number: 12509653
14 Cornhill, London, EC3V 3ND

Date: 28 September 2021

Statement of Changes in Equity
for the period from incorporation to 31st December 2020

	£
Opening shareholders' funds	-
Result for the period	-
New share capital subscribed	1
Net addition to shareholder' funds	1
Closing shareholders' funds as at 31st December 2020	1

The notes on pages 14-15 form part of these financial statements.

Statement of cash flows
for the period from incorporation to 31st December 2020

	Notes	Period to 31st December 2020 £
Cash flows from operating activities		-
Cash flows from investing activities		-
Cash flows from financing activities		1
Net increase in cash		1
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		1

The notes on pages 14-15 form part of these financial statements.

1 PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The company's financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The company is exempt by virtue of section 400 of the Companies Act 2006 from requirements to prepare consolidated Group accounts. These Financial Statements present information about the company as an individual undertaking and not of its Group.

Basis of preparation

These financial statements were prepared in accordance and comply with International Financial Reporting Standards ("IFRS") that has been issued by the International Accounting Standards Board ("IASB").

The company has not traded during the period since incorporation and has received no income nor incurred any costs. Therefore, the company has made neither a profit nor a loss and incurred no other gains or losses. Consequently, no Income Statement and Other Comprehensive Income report has been prepared.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate due to there being no anticipated transactions for the next 12 months from the date of signing of these financial statements.

Functional currency

The financial statements are presented in £ sterling, which is also the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Accounting estimates and judgements

There are currently no estimates or judgements within these statements.

2 CALLED UP SHARE CAPITAL

	2020 £
On Issue at Incorporation and 31st December 2020	
1 ordinary share of £1 each	1
Issued and fully paid	
1 ordinary share of £1 each	1

The ordinary shares carry one voting right per share, they have no redemption rights, and are not entitled to any dividends other than those recommended by the directors.

3 AUDITORS REMUNUERATION

Auditor's remuneration of £5,000 is borne by PIC New Victoria Unit Trust.

4 RELATED PARTY TRANSACTIONS

£1 ordinary share issued to PIC Holdings Limited.

5 IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary of PIC Holdings Limited which is registered in England and Wales.

PIC Holdings Limited is a wholly owned subsidiary of Pension Insurance Corporation Group Limited, a limited company incorporated in England and Wales. The directors regard this company as the ultimate parent undertaking and ultimate controlling party for which group financial statements are prepared.

The consolidated financial statements of Pension Insurance Corporation Group Limited are available to the public and may be obtained from 14 Cornhill, London, EC3V 3ND.

Registered Number: LP020950

PIC Properties Limited Partnership

Report and Audited Financial Statements

For the period from establishment to 31 December 2020

THESE PARTNERSHIP ACCOUNTS FORM PART OF THE ACCOUNTS OF PIC PROPERTIES GP LIMITED (12509653)

CONTENTS

REPORT OF THE GENERAL PARTNER FOR THE PERIOD ENDED 31 DECEMBER 2020

PIC Properties GP Limited (the "General Partner") present the Report of the General Partner and audited financial statements for PIC Properties Limited Partnership (the "LP" or "Limited Partnership") and its subsidiary entities (together "the Group") for the period from establishment to 31 December 2020.

Statement of General Partner's responsibilities

The Limited Partnership Agreement of 15 April 2020 requires the General Partner to prepare, after the end of each accounting period, the accounts of the LP in accordance with International Financial Reporting Standards ("IFRS").

Business review & principal activities

The principal activity of the LP is to acquire, manage and hold interests in property and property related investments via its subsidiary entity PIC New Victoria Unit Trust. PIC New Victoria Unit Trust is a Guernsey Property Unit Trust whose principal activity is to acquire interests in property and to hold the same as an investment. The General Partner expects to continue to carry out these activities in the future.

During the period the Group has entered into agreements to fund and develop a residential property development in Manchester. The project is currently in the construction phase which will continue until 2024.

The Partnership

The partnership was established and registered on 31 March 2020 under the Limited Partnership Act 1907 as a Limited Partnership which is designated as a Private Fund Limited Partnership. PIC Properties GP Limited, a company registered in England and Wales is the general partner.

Pension Insurance Corporation PLC is the limited partner.

Key performance indicators

The General Partner is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Group, other than monitoring performance against budget and stage development of the build. The Group has modelled the anticipated financial outcome of the development across its whole term. The actual financial performance is monitored against this anticipated performance. As at 31 December 2020 the Group's performance is in line with expectations.

Position of the Group at end of period

The Group is in the construction phase of the development and is performing in line with expectations of the development schedule and financial forecast.

Principle risks and uncertainties

The Group's activities primarily relate to the real estate market focusing on the development of a quality property asset in the UK. Further information is provided in note 16.

Going Concern

Cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements indicate that the Group has sufficient funds to meet its liabilities as they fall due. It is considered that there are no material uncertainties that could have cast significant doubt over the ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. Therefore, the General Partner considers it appropriate to prepare these financial statements on a going concern basis.

Directors

The directors of the General Partner who held office during the period are as follows:

T M Blackwell (Appointed 10 March 2020)
L J Inward (Appointed 10 March 2020)
R P Sewell (Appointed 10 March 2020)

Strategic Report Exemption

A Strategic Report has not been prepared as permitted by qualifying partnerships eligible for the small companies' regime.

Statement of disclosure to auditor

The General Partner who held office at the date of approval of this Report of the General Partner, confirms that:

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

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

Auditor

KPMG LLP were appointed as the first auditors of the LP. In accordance with section 487 of the Companies Act 2006, they will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the Board

R P Sewell
Director
PIC Properties GP Limited (Company No: 12509653)
(in its capacity as General Partner of PIC Properties Limited Partnership)
Registered Office: 14 Cornhill, London, EC3V 3ND

Date: 28 September 2021

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE FINANCIAL STATEMENTS

Regulation 4 of the Partnerships (Accounts) Regulations 2008 requires the General Partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under the law, the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and adopted by the EU, and applicable law.

Under Company law, the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LP and of the profit or loss of the LP for that period.
In preparing these financial statements, the General Partner is required to:

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the LP's transactions and disclose with reasonable accuracy at any time the financial position of the LP and enable them to ensure that its financial statements comply with the Companies Act 2006. The General Partner has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LP and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF PIC PROPERTIES LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of PIC Properties Limited Partnership ("the partnership") for the year ended 31 December 2020 which comprise the Consolidated Income Statement and Other Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the partnership's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards; and
- the partnership financial statements have been properly prepared in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and the terms of our engagement letter dated 03 March 2021 and addendum to that letter dated 13 September 2021. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group and partnership 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.

Going concern

The partners have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the partnership or to cease their operations, and as they have concluded that the group and the partnership'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 their 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 partners' conclusions, we considered the inherent risks to the group's and partnership's business model and analysed how those risks might affect the group and partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the partners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the partners' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the partner's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group or the partnership will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included *enquiring of partners and inspection of policy documentation* as to the Pension Insurance Corporation Group's policies and procedures to prevent and detect fraud that apply to this group partnership as well as enquiring whether the partners have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the partners (as required by auditing standards), and discussed with the partners the policies and procedures regarding compliance with laws and regulations.

The partnership is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This partnership is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The partners are responsible for the other information which comprise the Members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

Partners' responsibilities

As explained more fully in their statement set out on page 5, the partners are responsible for the preparation of the financial statements that 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 group and the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 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.

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

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

Philip Smart

Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

28 September 2021

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME
for the period ended 31 December 2020

	Notes	31-Mar-20 to 31-Dec-20 £
Revenue		-
Cost of sales		-
Gross Profit		-
Administrative expenses	3-5	(647,305)
Operating loss		**(647,305)**
Financial income		-
Financial expenses		-
Loss before Tax		**(647,305)**
Tax expense		-
Consolidated net Loss for the period		**(647,305)**
Less non-controlling interest		(6,473)
Net Loss attributable to Partners		**(640,832)**

Other Comprehensive income

The Group had no other comprehensive income other than that reported in the consolidated income statement.

The notes on pages 16 to 26 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	2020 £
Assets		
Non-Current Assets		
Investment property	6	18,047,637
Current Assets		
Trade and other receivables	7	862,261
Cash and cash equivalents		76,179,987
Total Assets		**95,089,885**
Liabilities		
Current Liabilities		
Trade and other payables	8-9	(2,309,165)
Non-Current Liabilities		
Interest bearing loans and borrowings	10	(75,241,861)
Lease liability	11	(38)
Total Liabilities		**(77,551,064)**
Net Assets		**17,538,821**
Equity		
Retained earnings		(640,832)
Partners' equity	12	990
Total Equity attributable to partners		**(639,842)**
Non-controlling interest		18,178,663
Total Equity		**17,538,821**

The notes on pages 16 to 26 form part of these financial statements.

These consolidated financial statements were approved at a meeting of the General Partner on 28 September 2021 and were signed on its behalf by:

R P Sewell
Director
PIC Properties GP Limited (Company No: 12509653)
(in its capacity as General Partner of PIC Properties Limited Partnership)

Registered Office: 14 Cornhill, London, EC3V 3ND
Date: 28 September 2021

PIC PROPERTIES LIMITED PARTNERSHIP – STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 £
Non-Current Assets		
Investments	6	990
Current Assets		-
Current Liabilities		-
Net Current Assets		-
Net Assets		990
Equity		
Partners' equity	12	990
Total Equity		990

The notes on pages 16 to 26 form part of these financial statements.

These financial statements were approved at a meeting of the General Partner on 28 September 2021 and were signed on its behalf by:

R P Sewell
Director
PIC Properties GP Limited (Company No: 12509653)
(in its capacity as General Partner of PIC Properties Limited Partnership)

Registered Office: 14 Cornhill, London, EC3V 3ND
Date: 28 September 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2020

	LP Equity £	Non-controlling interest £	Total £
At 31 March 2020	-	-	-
Loss for the period	(640,832)	(6,473)	(647,305)
Capital contributions for the period	990	-	990
Units issued for the period		10	10
Junior facility funding	-	18,185,126	18,185,126
At 31 December 2020	**(639,842)**	**18,178,663**	**17,538,821**

The notes on pages 16 to 26 form part of these financial statements.

PIC PROPERTIES LIMITED PARTNERSHIP STATEMENT OF CHANGES IN EQUITY
As at 31 December 2020

	Partners' Capital £	Total £
At 31 March 2020	-	-
Capital contributions for the period	990	990
At 31 December 2020	**990**	**990**

The notes on pages 16 to 26 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from 31 March 2020 to 31 December 2020

	Notes	Group Period to 31 December 2020 £
Cash flows from operating activities		
Total comprehensive loss for the period		(647,305)
Working capital changes:		
Increase in trade and other receivables		(862,261)
Increase in trade and other payables		1,813,607
Increase in loan facility interest payable		495,558
Lease premium paid	11	(4,356,735)
Capital expenditure on investment property		(13,502,341)
Finance costs incurred during the construction of the investment property		(188,523)
Net cash generated from operating activities		(17,248,000)
Cash flows from investing activities		-
Cash flows from financing activities		
Partners' Capital		1,000
Equity borrowings	13	18,185,126
Borrowings from the term loan facility	10	75,241,861
Net cash generated from financing activities		**93,427,987**
Net increase in cash and cash equivalents		76,179,987
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		**76,179,987**

The notes on pages 16 to 26 form part of these financial statements.

PIC PROPERTIES LIMITED PARTNERSHIP STATEMENT OF CASH FLOWS
For the period from 31 March 2020 to 31 December 2020

	Notes	Period to 31 December 2020 £
Cash flows from operating activities		-
Cash flows from investing activities		
Investments in subsidiary		(990)
Net cash flow from investing activities		**(990)**
Cash flows from financing activities		
Partners' Capital		990
Net cash generated from financing activities		**990**
Net increase in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		-

The notes on pages 16 to 26 form part of these financial statements.

1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the LP and Group's consolidated financial statements.

Basis of Preparation

The audited consolidated financial statements of the Group have been prepared in accordance with, and comply with, International Financial Reporting Standards ('IFRS') as issued by the IASB and applied in the EU, and all applicable requirements of the Companies Act 2006.

The financial statements are presented in £ sterling, which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ 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 revision and future periods if the revision affects both current and future periods.

Cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements indicate that the Group has sufficient funds to meet its liabilities as they fall due. It is considered that there are no material uncertainties that could have cast significant doubt over the ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. The General Partner therefore considers it appropriate to prepare these financial statements on a going concern basis.

In publishing the LP financial statements together with the Group financial statements, the LP has taken advantage of the exemption in section 408(3) of the Companies Act not to present its individual income statement.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention as modified by the measurement of the investment property recognised or stated at fair value.

Consolidation

a. Control of subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

All Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, except where there are indications of impairment.

b. Accounting for business combinations

The Group applies the acquisition method to accounts for business combinations. The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value as at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Accounting Policies (continued)

Income

Income includes rental income, service charges and property insurance charged to tenants. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Income from service and insurance charges is recognised in the accounting period in which control of the services are passed to the tenant, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

All leases that meet the definition of investment property are classified as investment property and measured at fair value.

Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Investment property (property, which is held either to earn rental income, including those under development, or for capital appreciation or for both), is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value through profit or loss. Any gain or loss arising from a change in fair value is recognised in the Consolidated Income Statement and Other Comprehensive Income.

The Investment property *(in whole or in part)* will be derecognised either when the Group has transferred substantially all the risks and rewards of ownership; or when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the assets; or when the contractual right to receive cash flows from the asset has expired.

The Group only has trade and other receivables and cash and cash equivalents, both measured at amortised cost.

(i) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on recognition is recognised directly in profit or loss and presented in other gains (losses).

Financial liabilities are recorded on the trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the Consolidated Income Statement and Other Comprehensive Income.

Trade and other receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the concerned counterparty. Impaired debts are derecognised when they are assessed asset uncollectible.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Impairment

The Group 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.

The Group financial assets are subject to the expected credit loss model. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the counterparty over a period of 36 months before 31 December 2020, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtor to settle the receivable.

Impairment losses are presented as a separate line item on the Consolidated Income Statement and Other Comprehensive Income report.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method for both periods. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at Fair Value through Profit and Loss or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Taxation

Under the current system of taxation in the United Kingdom, the Group is a transparent entity for UK tax on income purposes and the non-resident landlord scheme. Clearance has been received from HM Revenue & Customs that PIC New Victoria Unit Trust complies with the Baker Trust guidelines; as such, any liability to tax on income rests with the unitholders of PIC New Victoria Unit Trust based on their proportionate interest in the Group.

The Finance (No 3) Bill published in November 2018 set out a number of significant changes to the taxation of the UK real estate which came into effect in 2019 and 2020 respectively. Capital gains arising on the disposal of UK commercial property held in non-UK unit trusts were previously exempt from UK tax; however, going forward corporation tax will be applicable to all gains arising on UK commercial property from 6 April 2019. From 6 April 2020 non-resident corporate landlords will be subject to UK corporation tax on taxable income from UK property businesses, rather than income tax.

On 26 August 2020, a transparency election was made under the Taxation of Chargeable Gains Act 1992 Schedule 5AAA by PIC New Victoria Unit Trust, therefore deeming the Group to be a partnership for capital gains purposes. As a result, any potential chargeable gains will be passed through and borne by the unitholders of PIC New Victoria Unit Trust. The taxability of these gains will be specific to each unitholder and based on investor composition and status.

The Group is registered with HM Revenue & Customs for Value Added Tax and files quarterly returns.

The Group has applied for and received exemption from Guernsey tax.

Expenses

All other expenses are accounted for on an accrual's basis.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Accounting Policies (continued)

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration of the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component as per IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received (see note 11).

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has presented the right-of-use asset within investment property (leasehold land) and lease liabilities has been presented as a line item in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has no short-term leases or leases of low value assets as at period end.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'. The Group has not entered into lease contracts as a lessor.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group has elected to capitalise interest costs during the construction phase, but as the project progresses towards completion then borrowing costs will be expensed as normal.

During the period, the total amount of borrowing costs capitalised was £684,084.

The capitalisation rate is 2.613% which is capitalised semi-annually.

Grant

The Group has elected to present the grant income against the cost of the underlying asset.

New and amended standards and interpretations
Effective in the period under review:

Amendments to IFRS 3: Definition of a Business

The amendments to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Group.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by amounts of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements, of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework.

The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group.

Standards, amendments and annual improvements issued but not yet effective:

Amendment to IFRS 16, 'Leases' Covid-19 related rent concessions – effective for annual period beginning on or after 1 June 2020

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

The following represents the new standards, amendments to standards and interpretations that may be relevant to the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1. Presentation of financial statements on classification of liabilities – effective from 1 January 2021.

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Amendments to IAS 37. Onerous contracts – effective from 1 January 2022

The changes in onerous contracts – cost of fulfilling a contract specify that the 'cost of fulfilling' a contract comprises the 'costs' that relate directly to the contract. Costs that relate directly to a contract can be incremental costs of fulfilling that contract (such as direct labour and material) or an allocation of other costs that relate directly to fulfilling contracts (such as the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments will not have an impact of the financial statements of the Group.

2. Auditor's remuneration

	Period to 31 Dec 2020 £
Total audit fees paid by the Group:	45,700
Of this, the audit fees for the LP financial statements:	10,000

Auditor's remuneration is borne by PIC New Victoria Unit Trust, a subsidiary entity.

3. Administrative Expenses

	Period to 31 Dec 2020 £
Establishment costs	449,513
Legal and professional fees	145,950
Trustee fees	51,590
Sundry expenses	252
Total expenses	647,305

4. Remuneration of Members

The directors of the General Partner did not receive any emoluments from the Group.

5. Staff numbers and costs

The Group had no employees during the period under review.

6. Investment property under construction

	Leasehold Land 2020 £	Property under construction 2020 £	Total 2020 £
Balance as at 31 March 2020	-	-	-
Additions	4,356,773	13,690,864	18,047,637
Investment property at 31 December 2020	**4,356,773**	**13,690,864**	**18,047,637**

Due to the early phase of the construction project, no valuation has been undertaken. A regular Surveyor's report is received from WSP UK Ltd. This provides the Group with updates on the development.

The investment property has been measured at cost in accordance with IAS 40, as the fair value cannot currently be reliably estimated due to the investment property being under construction, meaning that there are currently no active markets for comparable properties and cash flows arising on the investment property are not yet available.

On 27 August 2020 the Group acquired the leasehold land of the "Residential Phase", New Victoria, Corporation Street, Manchester for consideration of £4,356,773.

As at 31 December 2020, the property under construction has cost £13,690,864, which includes capitalised interest payments of £684,084.

The property developer (Muse Developments Limited) shall fund approximately £10.5m of the construction cost of the development themselves. This is financed by way of grant from the Housing Infrastructure Fund. The grant is being received to cover the costs in relation to site remediation, electricity reinforcement, a bridge connection to a residential building, highway works, enhanced foundations and the provision of ground floors to approximately 5 meters above site level. The developer may have to repay part or all of the grant if there are any breaches of the conditions of the grant (such as not meeting significant or agreed milestones on time).

As at the date of signing the financial statements, the Group has not been notified of any breaches or potential breaches of the conditions of the grant from the property developer.

During the period a grant of £4,733,155 was received by the developer. In accordance with the accounting policy on page 20, the grant has reduced the property under construction, so that the net amount paid to the developer is disclosed.

Fixed Asset Investments

Partnership	**2020 £**
Cost	
At 31 December 2020	990

The undertakings in which the LP's interest at the year end is more than 20% are as follows:

Partnership	**Registered office Address**	**Units Held**
PIC New Victoria Unit Trust	Western Suite Mill Court La Charroterie St Peter Port Guernsey	990

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Trade and other receivables (due within 1 year)

	2020 £
VAT receivable	858,117
Prepayments	4,144
	862,261

8. Trade and other payables

	2020 £
Construction costs	1,476,293
Legal and professional fees	274,946
Audit fees	45,000
Administration fees	17,368
	1,813,607

9. *Senior term loan facility interest payable*

	2020 £
Term loan facility interest	**495,558**

10. Senior term loan facility

	2020 £
Pension Insurance Corporation PLC – Senior term loan facility (see note 13)	**75,241,861**

Pension Insurance Corporation PLC have issued a senior term loan amount of £75,241,861. Annual interest of 2.613% is charged on the loan with an interest amount of £684,084 charged for the period. Loan amount outstanding as at 31 December 2020 is £75,241,861.

The loan term is up to September 2039 and payments are to be made semi-annually, commencing in 2027.

11. Leases

Network Rail granted the Group a lease contract for a piece of land known as the "Residential Phase" New Victoria, Corporation Street, Manchester. The lease of land has a lease term of 250 years. On inception of the lease, payments totalling £4,356,773 were made to various parties. A nominal ground rent ("a peppercorn rent") shall be paid annually for the next 250 years.

12. Total Equity

As at 31 December 2020	Partners' equity £	Non-controlling interest £	Total £
Capital contribution and loss for the period	(639,842)		(639,842)
Units and share of profits in PIC New Victoria Unit Trust not attributable to partners		(6,463)	(6,463)
Junior facility funding issued by PIC New Victoria Unit Trust not attributable to partners		18,185,126	18,185,126

Partners Equity

Partners comprise the General Partner: PIC Properties GP Limited and the Limited Partner: Pension Insurance Corporation plc (PIC plc). The Limited Partner made a capital contribution of £990 in the period. The General Partner is entitled to a priority distribution of 0.01% per annum of the income profits of the Partnership available for distribution in each year and the Limited Partner is entitled to the remaining share in the profits of the Partnership.

Units in PIC New Victoria Trust not attributable to partners

1% of the Units in PIC New Victoria Trust are not held by PIC Properties LP.

Junior facility funding

Noteholders in PIC New Victoria Trust are entitled to any distributions equal to 99.9% of all Available Profits. As payments are solely at the discretion of the Trustees of PIC New Victoria Trust, the junior note facility does not impose any obligation to deliver cash or other financial assets and the facility is classified as equity and any payments are accounted for as an equity distribution.

13. Related party disclosures

TMF Group Trustees Limited and Emperor DS Limited are the trustees of PIC New Victoria Unit Trust. Trustee management fees are payable to TMF Group Trustees Limited. During the period, the trustee is entitled to an annual fee of £41,030, of which £nil was outstanding as at 31 December 2020.

Loan facilities with Pension Insurance Corporation PLC

As at 31 December 2020, the total amount due to Pension Insurance Corporation PLC was £93,426,987.

Two loan facilities were issued to the Group during the period as follows:

(i) *Senior loan facility*

Pension Insurance Corporation PLC have issued a loan amount of £75,241,861. Annual interest of 2.613% is charged on the loan with an interest amount of £684,084 charged and paid for the period. Loan amount outstanding as at 31 December 2020 is £75,241,861.

(ii) *Junior facility*

Pension Insurance Corporation PLC ("the Noteholders") have provided the Group with a junior funding facility should funds be required (from 27 August 2020). The trustees of PIC New Victoria Unit Trust shall be entitled to serve a drawdown notice to request funding subject to agreed terms.

The Noteholders subscribed for Notes for an amount of £18,185,126 at 0% interest rate up to 31 December 2020.

The aggregate principal amount of the Notes to be issued in the junior funding facility shall be limited to £80,139,892.

Until such time as the Notes are redeemed, the Noteholders shall be entitled to receive a return on the Notes equal to 99.9% of all Available Profit of PIC New Victoria Unit Trust.

14. Parent and ultimate controlling party

PIC Properties GP Limited, acting as General Partner of the LP is a subsidiary of PIC Holdings Limited, a limited company incorporated in England and Wales.

PIC Holdings Limited is a subsidiary of Pension Insurance Corporation Group Limited, a limited company incorporated in England and Wales. The General Partner regards this company as the ultimate parent undertaking and ultimate controlling party for which group financial statements are prepared.

The consolidated financial statements of Pension Insurance Corporation Group Limited are available to the public and may be obtained from 14 Cornhill, London, EC3V 3ND.

15. Group Information

The LP has a 99% holding in PIC New Victoria Unit Trust.

PIC New Victoria Unit Trust has a 100% holding in PIC New Victoria Limited Partnership ("NVLP"). NVLP was registered on 22 May 2020. NVLP did not have any activity during the period.

16. Financial Risk Review and Management

This note presents information about the Group's exposure to each of the financial risks.

a. *Credit risk*

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Group resulting in a financial loss to the Group. The Group's exposure to credit risk arises principally from cash and cash equivalents.

The Group's cash and cash equivalents are held with RBSI (a subsidiary of RBS Plc), RBS Plc which is rated Baa2 based on rating agency Moody's ratings. This is monitored on a quarterly basis.

The total credit risk for the Group is £76,179,987 which is made up of cash and cash equivalents.

b. *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's principal asset is the investment property, which is illiquid. The Group's overall liquidity risk is monitored on an annual basis. In addition, the Group's capital could only be distributed on a sale of the investment property.

The following were the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

GBP	**Carrying Amount**	**Less than 1 month**	**1 month to 1 year**	**1 year to 2 years**	**>2 years**
31 December 2020					
Financial liabilities					
Senior term loan facility	75,241,861	-	-	-	75,241,861
Lease liability	38	-	-	-	38
Construction costs	1,476,293	1,476,293	-	-	-
Senior term loan facility interest	495,558	495,558	-	-	-
Legal and professional fees,	274,246	274,246	-	-	-
Audit fees	45,700	-	45,700	-	-
Administration fees	17,368	17,368	-	-	-
	77,551,064	**2,263,465**	**45,700**	**-**	**75,241,899**

The table above shows the undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturities.

As at 31 December 2020, the Group had current liabilities of £2,309,165 and cash and cash equivalents of £76,179,987.

The Group considers its exposure to liquidity risk to be minimal.

c. *Market risk*

'Market risk' is the risk that changes in market indices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the fair value of its holdings of investment property and financial instruments.

(i) Interest rate risk

Exposure

The Group's borrowings are from fixed interest loans and noteholders for the purpose of the construction. It currently does not obtain any return on the cash held in the Bank. As such there is no interest rate risk. The cash management options available to the Group are being explored.

(ii) Price risk

The Group's activities primarily relate to the real estate market focusing on the development of a quality property asset in the UK. The Group is exposed to specific industry risks which are similar to any commercial marketplace and are dominated by supply and demand as follows:

Exposure of fair value of the property to market fundamentals including concentration on Manchester property market.

As at 31 December 2020, a 10% increase / (decrease) in the fair value (as presented by the costs of the asset under construction net of the grant income) of the investment property would have increased / (decreased) net assets by £1,369,086.

(iii) Capital management

The LP defines the capital of the Group to be the net assets attributable to partners. Note 12 discloses the rights attached to the partners' capital.

The Group is not subject to other externally imposed capital requirements.

(iv) Fair value measurement

The Group classifies fair value estimations in a hierarchy with the following levels:

Level 1: Input is listed values of assets traded in actively trading markets for identical shares or liabilities.

Level 2: Input is other than listed values as per level 1, but with an observable value which is established either through a price mechanism of an asset (or liability) or indirectly

Level 3: Input for asset (or liability) is based on reported value.

17. Impact assessment of Covid-19

The only investment held by the Group was an investment property that is currently in the course of construction. There are no tenants and therefore no income at this stage of the construction project. The only impact that Covid-19 had on the investment was that it caused some delays to the sub-contractors working on the construction site. The delay was eased as the UK Government lifted their restrictions and allowed a return to construction sites.

18. Events after the date of the consolidated statements of financial position

On 17 February 2021, there was a drawdown by PIC New Victoria Unit Trust of £3,611,387 of the Junior facility detailed in note 13. A further drawdown of £8,626,002 was made on 9 August 2021 taking total drawdowns to £21,796,513.

On 25 May 2021, PIC Wiltern Unit Trust, a Guernsey Property Unit Trust entered into agreements for the funding and development of land in Perivale, London for the development of residential housing units. Construction has commenced and is expected to be completed by 31 October 2023. Pension Insurance Corporation PLC have issued a senior term loan for the amount of £49,838,924. A junior facility has been provided, with the Noteholders, Pension Insurance Corporation PLC, subscribing for Notes to date to a total of £18,597,254. The LP has a 99% holding of units in PIC Wiltern Unit Trust.