

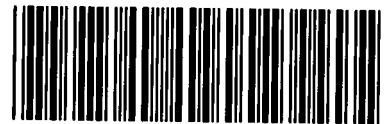
Gray's Inn Operations Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2022

THURSDAY



AC6QL41N

A20

29/06/2023

#104

COMPANIES HOUSE

Company Registration No. 07500057

Gray's Inn Operations Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M Platt
N Chambers
P Langford

SECRETARY

N Chambers

REGISTERED OFFICE

Botanic House
Hills Road
Cambridge
CB2 1PH

AUDITOR

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

SOLICITORS

Mills and Reeve LLP
Botanic House
Hills Road
Cambridge
CB2 1PH

Gray's Inn Operations Limited

DIRECTORS' REPORT

For the year ended 31 December 2022

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditor's report	3
Income Statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

Gray's Inn Operations Limited

DIRECTORS' REPORT

For the year ended 31 December 2022

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year under review was to hold investments in subsidiaries. There was no trading in the company during the year. The directors consider that the financial position of the business at the end of the year was satisfactory. The directors expect the current level of activity to be sustained.

GOING CONCERN

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, interest rates, debt, covenants, and cash flow forecasts. The directors have concluded that the company has access to adequate resources which will enable it to continue in operational existence for the foreseeable future. These resources are detailed in the financial statements of the ultimate parent company, Albanwise Wallace Estates Limited, and the directors of that entity have confirmed ongoing support for the company in writing. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

DIRECTORS

The directors who served the company since 1 January 2022 and up to the date of approval of these financial statements were as follows:

M Platt
N Chambers
P Langford

AUDITOR

The auditor RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SMALL COMPANY PROVISIONS

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

By order of the board



N Chambers
Secretary
22 June 2023

Gray's Inn Operations Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAY'S INN OPERATIONS LIMITED

Opinion

We have audited the financial statements of Gray's Inn Operations Ltd (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – contingent liabilities for costs of remediating historic fire safety defects

We draw attention to the disclosures in note 10, Contingent Liabilities, which details matters that could create additional liabilities in the future as a consequence of the Building Safety Act 2022. The ultimate outcome of these matters cannot be determined at present, and no provision for any liability that may result has been made in the financial statements. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAY'S INN OPERATIONS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAY'S INN OPERATIONS LIMITED

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and property law regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments.

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

Use of our report

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

Stacy Eden

STACY EDEN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 22/06/23

Gray's Inn Operations Limited

INCOME STATEMENT

For the year ended 31 December 2022

Company number: 07500057

	Notes	For the year ended 31 December 2022 £	For the year ended 31 December 2021 £
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	-
Dividends received		-	-
Taxation on profit on ordinary activities		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		-	-

Gray's Inn Operations Limited

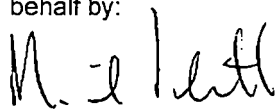
STATEMENT OF FINANCIAL POSITION

At 31 December 2022

Company number: 07500057

	Notes	As at 31 December 2022 £	As at 31 December 2021 £
FIXED ASSETS			
Investments	5	251,001	101,001
CURRENT ASSETS			
Debtors	6	-	-
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	(250,224)	(100,224)
NET CURRENT ASSETS		<u>777</u>	<u>777</u>
NET ASSETS		<u>776</u>	<u>777</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Retained earnings		775	775
TOTAL EQUITY		<u>777</u>	<u>777</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 22 June 2023 and are signed on its behalf by:



M Platt
Director

Gray's Inn Operations Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Called-up share capital £	Retained earnings £	Total £
Balance as at 1 January 2021	2	775	777
Balance as at 31 December 2021	<u>2</u>	<u>775</u>	<u>777</u>
Balance as at 1 January 2022	2	775	777
Profit and total comprehensive income for the year	-	-	-
Balance as at 31 December 2022	<u>2</u>	<u>775</u>	<u>777</u>

Gray's Inn Operations Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 GENERAL INFORMATION

The company holds investments in its subsidiaries. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Botanic House, Hills Road, Cambridge, CB2 1PH.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime and under the historical cost convention. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

GOING CONCERN

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, interest rates, debt, covenants, and cash flow forecasts. The directors have concluded that the company has access to adequate resources which will enable it to continue in operational existence for the foreseeable future. These resources are detailed in the financial statements of the ultimate parent company, Albanwise Wallace Estates Limited, and the directors of that entity have confirmed ongoing support for the company in writing. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

FIXED ASSET INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

ASSET IMPAIRMENTS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of the fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments"

Gray's Inn Operations Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

and Section 12 "Other Financial Instruments Issues" of FRS 102 in full to all of its financial instruments.

Basic financial assets, which include other debtors which are repayable on demand are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. Impairment losses are recognised in profit or loss.

Financial assets are only derecognised when the contractual rights to the cash flows from the asset expire or are settled or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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. Equity instruments issued by the company are recorded at the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Basic financial liabilities, which include amounts due to group undertakings which are repayable on demand are initially measured at transaction price and are subsequently carried at amortised cost.

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled or they expire.

ASSESSMENT OF LIABILITIES UNDER THE BUILDING SAFETY ACT

In 2022, the Government introduced new legislation (The Building Safety Act (2022)) to tighten regulation around building safety and the remediation of historic fire defects. Part of this legislation attempts to pierce the corporate veil so that liabilities from one company can be transferred to any company within a group regardless of the nature of business, via the courts. For buildings over 18 metres in height, the expectation from Government is that any remediation will be funded by either the Building Safety Fund or from the developer that built it. This is the same for buildings between 11 metres and 18 metres, but this new government fund is called the Medium Rise Scheme (MRS). It is currently being trialled and it is understood that it will eventually operate in a similar fashion to the Building Safety Fund (BSF). Buildings under 11 metres are met by leaseholders via their service charges.

The Building Safety Act (2022) assigns liability for the costs of remediating historic fire safety defects at relevant buildings (ie, buildings over 11 metres or more than four storeys in height) by means of a "waterfall". Under the terms of this waterfall there is potential for the building owner to assume some of this liability to the extent that it is not recoverable from the BSF or the MRS, commercial leaseholders or non-qualifying leaseholders. The Act also permits building owners to pursue developers, contractors and manufacturers for the recovery of these costs.

Given the above it is not currently clear what the likely probability or quantum of any potential liability to fund the remediation of building defects would be. Therefore, no provision has been included in these financial statements.

Gray's Inn Operations Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee for the group of companies to which the company belongs is borne by a group undertaking and is not separately identifiable. The company has no employees (2021: nil) and the directors received no emoluments during the year (2021: £nil).

5 FIXED ASSET INVESTMENTS

Investments in
subsidiary
companies
£

Cost and net book value

At 1 January 2022

101,001

Additions

150,000

At 31 December 2022

251,001

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Class of shares	Holding	Country of incorporation
Leasehold Property Management Limited	Ordinary	100%	England & Wales
Albanwise Insurance Services Limited	Ordinary	100%	England & Wales

Both subsidiary companies are registered at Botanic House, Hills Road, Cambridge CB2 1PH.

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

6 DEBTORS: Amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	-	-

7 CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	250,224	100,224

Gray's Inn Operations Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8	SHARE CAPITAL AND RESERVES	2022	2021
		£	£
	Allotted, called up and fully paid:		
	2 ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>

The company paid no dividends during the year (2021: £nil).

9 CONTROL

The company is under the control of Perseverance Limited, which is registered in Gibraltar.

The immediate parent undertaking of the company is Simarc Property Management Limited of Botanic House, Hills Road, Cambridge CB2 1PH. Consolidated accounts have been prepared for Albanwise Wallace Estates Limited of Botanic House, Hills Road, Cambridge CB2 1PH, which heads the largest group of undertakings for which accounts have been drawn up. These are available from the registered office. The ultimate parent undertaking of the company is Perseverance Limited, which is registered in Gibraltar.

10 CONTINGENT LIABILITY

Building Safety Act 2022

The directors do not think it possible for the Group to estimate reliably the extent or likelihood of the liability imposed on it by the Building Safety Act (2022) and therefore no provision has been included in the financial statements. At present the majority of identified historic fire safety defects at relevant buildings within the Group's portfolio relate to external wall cladding systems and the directors believe that the costs of the associated remediation works should be covered by the Building Safety Fund or the Medium Rise Scheme.