REGISTERED NUMBER: OC325497

Grainger Treasury Property (2006) Limited Liability Partnership

Financial statements

30 September 2021

Grainger Treasury Property (2006) Limited Liability Partnership

Financial statements

Year ended 30 September 2021

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Grainger Treasury Property (2006) Limited Liability Partnership

Designated members and professional advisers

Designated members	Grainger Treasury Property Investments Limited Partnership Grainger Residential Management Limited Northumberland & Durham Property Trust Limited
Registered office	Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
Auditor	KPMG LLP Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX
Banker	Barclays Bank Plc Barclays House 5 St Ann's Street Quayside Newcastle Upon Tyne NE1 2BH
Solicitor	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX

Grainger Treasury Property (2006) Limited Liability Partnership

Members' report

Year ended 30 September 2021

The members present their report and the financial statements of the LLP for the year ended 30 September 2021.

Principal activities

The principal activity of the partnership during the year was the acquisition of derivative interests in properties and to manage such interests as investments.

The total comprehensive income for the year was £7,236,509 (2020: £5,178,586).

Designated members

The designated members who served the LLP during the year were as follows:

Grainger Treasury Property Investments Limited Partnership
Grainger Residential Management Limited
Northumberland & Durham Property Trust Limited

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Members are remunerated solely out of the profits of the firm. Final allocation of profits to members is made according to the Members' Agreement drawn up on the incorporation of the Limited Liability Partnership.

The overall policy for members' drawings is to distribute any proceeds as soon as reasonably practicable after receipt by the LLP, and after payment of the expenses and liabilities of the LLP, up to the level of the members' outstanding commitments. Distributions are made pro rata to the members' respective commitments until the members have been paid their outstanding loans and capital contributions.

Any surpluses are retained by the LLP in relation to which no withdrawals may be made without the written consent of the members. Any such distributions are made in accordance with the Members' Agreement drawn up on the incorporation of the Limited Liability Partnership.

Statement as to disclosure of information to auditor

Each of the persons who is a member at the date of approval of this report confirm that:

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

Grainger Treasury Property (2006) Limited Liability Partnership

Members' responsibilities statement

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period.

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

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

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Signed on behalf of the members

Adam McGhin on behalf of
Grainger Residential Management Limited

Designated member

Approved by the members on 11 August 2022

Independent auditor's report to the members of
Grainger Treasury Property (2006) Limited Liability Partnership

Opinion

We have audited the financial statements of Grainger Treasury Property (2006) Limited Liability Partnership ("the LLP") for the year ended 30 September 2021 which comprise the Statement of comprehensive income, Statement of financial position, Reconciliation of members' interests and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the LLP as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

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

Our conclusions based on this work:

- we consider that the members' 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 members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP'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 LLP 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 members, the audit committee, internal audit and inspection of policy documentation as to Grainger plc's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the LLP's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- reading Board minutes.
- considering remuneration incentive schemes and performance targets for management.
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of Group-wide fraud risk management controls.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

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 members and other management (as required by auditing standards), and from inspection of the LLP's regulatory and legal correspondence and discussed with the members and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP 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.

Independent auditor's report to the members of Grainger Treasury Property (2006) Limited Liability Partnership (continued)

Secondly, the LLP is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, landlord regulation and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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 members are responsible for the other information, which comprises 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 members' 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 members' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies exemption as applied to limited liability partnerships from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on pages 2 to 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 LLP 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 members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dan Gibson

Dan Gibson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

24 August 2022

Grainger Treasury Property (2006) Limited Liability Partnership

Statement of comprehensive income

Year ended 30 September 2021

	Note	2021 £	2020 £
Income from financial assets	4	**7,759,233**	5,651,563
Profit for the financial year available for discretionary division among members		**7,759,233**	5,651,563
Unrealised loss on revaluation of fixed assets		**(522,724)**	(472,977)
Other comprehensive loss for the period		**(522,724)**	(472,977)
Total comprehensive income for the year		**7,236,509**	5,178,586

All the activities of the LLP are from continuing operations.

The notes on pages 12 to 16 form part of these financial statements.

Grainger Treasury Property (2006) Limited Liability Partnership

Statement of financial position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Financial interest in property assets	6	**71,719,261**	73,261,073
Current assets			
Debtors	7	**3,059,812**	6,729,843
Net current assets		**3,059,812**	6,729,843
Total assets less current liabilities		**74,779,073**	79,990,916
Represented by:			
Equity			
Members' other interests – members' capital		**57,146,621**	67,231,319
Members' other interests – available for sale reserve		**5,636,146**	6,158,870
Members' other interests – profit and loss account		**11,996,306**	6,600,727
		74,779,073	79,990,916
Total members' interests			
Members' other interests		**74,779,073**	79,990,916
		74,779,073	79,990,916

These financial statements were approved by the members and authorised for issue on 11 August 2022, and are signed on their behalf by:

Adam McGhin for and on behalf of
Grainger Residential Management Limited

Registered number: OC325497

The notes on pages 12 to 16 form part of these financial statements.

Grainger Treasury Property (2006) Limited Liability Partnership

Reconciliation of members' interests

Year ended 30 September 2021

	Members' capital (classified as equity)	Members' other interests Available for sale reserve	Profit and loss account	Total
	£	£	£	£
Balance at 1 October 2020	67,231,319	6,158,870	6,600,727	79,990,916
Profit for the financial year available for discretionary division among members	–	–	7,759,233	7,759,233
Members' interests after profit for the year	67,231,319	6,158,870	14,359,960	87,750,149
Unrealised loss on revaluation of fixed assets	–	(522,724)	–	(522,724)
Capital distribution	(10,084,698)	–	–	(10,084,698)
Profit distribution	–	–	(2,363,654)	(2,363,654)
Balance at 30 September 2021	57,146,621	5,636,146	11,996,306	74,779,073

The reconciliation of members' interests continues on the following page.

The notes on pages 12 to 16 form part of these financial statements.

Grainger Treasury Property (2006) Limited Liability Partnership

Reconciliation of members' interests ***(continued)***

Year ended 30 September 2021

	Members' capital (classified as equity)	Members' other interests Available for sale reserve	Profit and loss account	Total
	£	£	£	£
Balance at 1 October 2019	67,231,319	6,631,847	949,164	74,812,330
Profit for the financial year available for discretionary division among members	–	–	5,651,563	5,651,563
Members' interests after profit for the year	67,231,319	6,631,847	6,600,727	80,463,893
Unrealised loss on revaluation of fixed assets	–	(472,977)	–	(472,977)
Balance at 30 September 2020	67,231,319	6,158,870	6,600,727	79,990,916

The notes on pages 12 to 16 form part of these financial statements.

1. Statement of compliance

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

The entity is a limited liability partnership incorporated in the UK. The registered office is:

Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JE

The results of Grainger Treasury Property (2006) Limited Liability Partnership are included in the consolidated financial statements of Grainger plc which are available from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

2. Accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments, and in accordance with applicable UK accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in December 2018 (SORP 2018).

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

Going concern
The financial statements have been prepared on a going concern basis which the members consider to be appropriate for the following reasons.

The partnership has net assets of £74,779,073 at 30 September 2021 and has generated total comprehensive income for the period then ended of £7,236,509. The partnership is a subsidiary of Grainger plc. The directors of Grainger plc, the ultimate parent undertaking, manage the group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Grainger plc operating segment level. For these reasons, the partnership does not prepare cash flow forecasts at an individual entity level.

On a consolidated basis, the Group has assessed its future funding commitments and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, reasonable severe sensitivities, including the potential impact of Covid-19, have been applied to the key factors affecting financial performance of the Group. This includes the potential impact on performance due to possible changes in the level of cash collection, rental growth, letting activity, sales performance and development activity. The Directors of the Group have a reasonable expectation that it has adequate resources to continue operating for the foreseeable future period, and not less than 12 months from the date of approval of these financial statements.

2. Accounting policies *(continued)*

Grainger plc has indicated that it will make available such funds as are needed by the entity for the foreseeable future. As with any entity placing reliance on other group entities for financial support, the members acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. The members do not intend to nor have they identified any circumstances which may lead to the entity being liquidated or to cease operating.

Consequently, the members are confident that the partnership will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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

(a) No cash flow statement has been presented for the LLP.
(b) Disclosures in respect of financial instruments have not been presented.
(c) No disclosure has been given for the aggregate remuneration of key management personnel.

The partnership has considered the impact of the adoption of those new and revised International Financial Reporting Standards and interpretations that were effective for the first time from 1 October 2020. There has been no material impact on the partnership following the adoption of these standards.

Members' participation rights
Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with Section 22 of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

2. Accounting policies *(continued)*

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are equity appropriations in the statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the statement of financial position within 'Loans and other debts due to members'. In the event of a winding up, such amounts shall be distributed to members after payment and discharge of all other liabilities of the LLP. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

Financial interest in property assets
Financial interest in property assets is initially recognised at fair value and is subsequently carried at fair value. Subsequent to initial recognition, the net change in value is recorded through the statement of comprehensive income as follows: i) the carrying value of the assets is increased by the effective interest rate and ii) the carrying value of the assets is revised to the net present value of the updated projected cashflows arising from the instrument using the effective interest rate applicable at acquisition. The change in value recorded through the statement of comprehensive income is shown on the line 'Income from financial assets'. Cash received from the instrument during the year is deducted from the carrying value of the assets.

Differences between revised cashflows using the effective interest rate applicable at acquisition compared to revised cashflows using a year end effective interest rate, assessed as the rate available in the market for an instrument with a similar maturity and credit risk, are taken through equity. When gains or losses in the assets are realised, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from financial interest in property assets.

Taxation
No provision is made in the accounts of the partnership for tax liabilities (if any) arising on the partners' shares of net income or capital gains.

Non-derivative financial instruments
Non-derivative financial instruments comprise other debtors and loans and borrowings

Other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The judgements, estimates and assumptions that the members consider to be most significant to the financial statements relate to the valuation of fixed assets and are detailed at note 6.

3. Operating profit

Audit fees of £4,400 (2020: £3,700) are statutory audit fees only and are borne by another group company.

No remuneration was paid to the designated members' directors in respect of their services to the partnership during the year (2020: nil). The partnership had no employees during the current or preceding financial years.

4. Income from financial assets

	2021	2020
	£	£
Interest income from financial assets	7,759,233	5,651,563

5. Distribution of profits

	2021	2020
	£	£
Profit distribution	2,363,654	–

6. Fixed assets

	Financial interest in property assets
	£
Cost or valuation	
At 1 October 2020	73,261,073
Cash received	(8,778,321)
Amounts taken to profit or loss	7,759,233
Amounts taken to other comprehensive income	(522,724)
At 30 September 2021	71,719,261
Net book value	
At 30 September 2021	71,719,261
At 30 September 2020	73,261,073

Financial interest in property assets relates to the CHARM portfolio, which is a financial interest in equity mortgages held by the Church of England Pensions Board as mortgagee.

The above valuation is based on an assessment of the future cash flows that will arise from the partnership's financial interest and on the effective interest rate used to discount those cash flows. The key assumptions affecting the carrying value are house price inflation and the discount rate. The assumptions used to value the asset reflect an increase in house prices of between 3.27% and 6.91% per annum (2020: between 0.20% and 6.46% per annum).

6. Fixed assets *(continued)*

A discount rate of 3.5% (2020: 3.5%) has been applied to the interest income and a rate of 6.5% (2020: 6.5%) has been applied to the projected proceeds from sales of the underlying properties, reflecting the risk profile of each individual income stream.

The fair value of the interest changes as cash flows are realised and a decrease of £522,724 (2020: £472,977) in the fair value has been recognised in the statement of comprehensive income and the available for sale reserve.

Credit risk arises from the credit exposure relating to cash receipts from the financial instrument. All of the cash receipts are payable by the Church Commissioners, a counterparty considered to be low risk as they have no history of past due or impaired amounts and there are no past due amounts outstanding at the year end.

7. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	**1,003,482**	6,285,435
Other debtors	**2,056,330**	444,408
	3,059,812	6,729,843

Amounts owed by group undertakings are unsecured, bear no interest and are repayable on demand but are not expected to be repaid within the next 12 months.

8. Contingent liabilities

At 30 September 2021 the partnership, together with certain of its fellow subsidiaries, has guaranteed the £700,000,000 (2020: £700,000,000) corporate bonds issued by Grainger plc together with bank loans of £310,859,476 (2020: £357,907,194) of certain fellow subsidiaries by means of a legal charge over its assets and book debts. Details of the debt repayment profile are shown in the statutory financial statements of the ultimate parent undertaking, Grainger plc.

9. Related party transactions

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