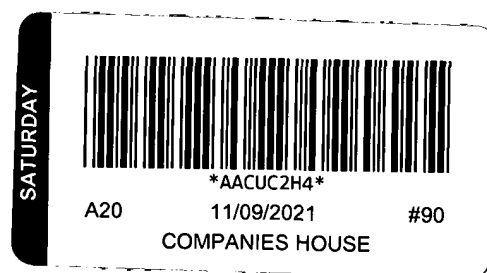


Registered number: 03219943

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

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GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

The directors present their Annual Report on the affairs of GGL Group Number Two Limited, the "Company", together with the audited financial statements and auditor's report for the year ended 31 December 2020.

BUSINESS REVIEW

During the year there was a reorganisation of the ownership of Grosvenor Group Limited. As part of the reorganisation, the Company ceased to be the ultimate holding company of the Grosvenor Group and changed its name to GGL Group Number Two Limited. Detail is provided in the Directors' Report on page 4.

During the year, the Company undertook a reserves rationalisation as part of the reorganisation.

Following the transfer of its shareholding in its wholly owned subsidiary Grosvenor Estate Holdings, the company is in the process of winding down its remaining activities. This winding down process is likely to take more than 12 months.

The Company is incorporated in the United Kingdom and the registered office is 70 Grosvenor Street, London, W1K 3JP.

GOING CONCERN

The company is in a net asset position as at 31 December 2020.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future and for a minimum period of 12 months from the date of signing the financial statements. The Company is in the process of winding down its remaining activities however this process is likely to take more than 12 months. Accordingly, they adopt the going concern basis in preparing the Company's financial statements.

The Grosvenor Group (the "Group") is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants. Similarly, the Group continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

These factors have also formed part of the Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2022. In particular these forecasts consider the impact of the United Kingdom's exit from the European Union and Covid-19 on the Group's income and stressed assumptions on the availability of finance and property valuations. Having considered the economic factors outlined above, and on the basis of the Group's continued forecast liquidity and ongoing support for the Company, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future. As such the directors continue to consider preparation of the accounts on the going concern basis to be appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company arise from the financing of its investments, including interest rate volatility on external debt.

The Company is financed by equity and intra group loans.

The Company is a subsidiary of Grosvenor Group Limited. The Group co-ordinates its cash flows, liquidity position and borrowing facilities on a group basis and further disclosures relating to these matters are included in the annual report of the Group.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF COMPLIANCE WITH SECTION 172 OF COMPANIES ACT 2006

Throughout the year the directors have performed their duty to promote the success of the company under section 172, taking consideration of:

- issues, factors and stakeholders relevant in complying with section 172(1)(a) to (f)
- main methods used to engage with stakeholders and to understand the issues to which they must have regard; and
- the effect of such issues on the company's decisions and strategies during the financial year and in the long term.

The strategic and operational policies adopted by the Company are set by The Group and the directors have applied these policies in all decisions taken in their management of the Company in order to meet their duties to the Company.

The Grosvenor Group has evolved over 340 years since the Grosvenor family's first association with property in London. As a result of this heritage, the Board takes decisions for the long term and seeks to apply the highest levels of corporate conduct. The Board and the Group's Shareholder judge the success of the business based on the positive impact on the communities that we operate in whilst being mindful of the needs of future generations.

In order to protect and strengthen the long standing business reputation, enhance the brand and maintain a reputation for high standards of business conduct, the Group operates as a values led business, promoting our values of integrity, respect and trust all of the time with all our stakeholder community including employees, customers, partners, suppliers, funders, wider society and the Shareholder.

The Group seeks to optimise social and commercial outcomes for every investment and sets itself challenging environmental targets; aiming to enhance its reputation for social responsibility. To deliver its purpose effectively the Group, through its subsidiaries, implements an approach called Living Cities which combines a far-sighted, international perspective, with an intimate local knowledge of markets and communities:

- The Group seeks to learn from the past, in acting upon evidence-based research and in adopting a far-sighted perspective that responds to the socio-economic and demographic changes, environmental risks and disruptive technologies that pose significant urban challenges.
- Local expertise is promoted to foster a deep appreciation and understanding of local markets and the needs of local communities, working with them to implement bespoke and innovative solutions that are commercially successful and responsive to unique local circumstances.
- In implementing its activities, directly or in partnership with like-minded co-investment partners, the Group seeks to capture, distil and share knowledge, investing in its people to bring an international perspective which encourages innovation.

The Group's purpose is to improve properties and places to deliver lasting commercial and social benefit, with the community and environment forming the two key elements of social benefit as defined by our Shareholder. Consequently, building and maintaining effective stakeholder relationships is key to the success of the business. The Group's commitment to the World Green Building Council, included a pledge to be net zero carbon in our operations by 2030 (within our directly owned and managed portfolio) and wholly net carbon zero by 2050 across all properties. The Group actively engages with its stakeholders on this commitment.

Further detail on the Group's purpose and relationships with stakeholders is contained in the Strategic Report of the Grosvenor Limited Group Report and Accounts for the year ended 31 December 2020, and can also be found at www.grosvenor.com.

The Company has no employees - the staff working on behalf of the Company are employed by Grosvenor Estate Management Limited, a fellow Group company, which reports on employee engagement.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

KEY PERFORMANCE INDICATORS

The directors of the Group manage its group operations on a divisional basis. For this reason, the Company's directors believe that further key financial and non-financial performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The performance of the Group, which includes the Company, is discussed in the directors' report in the annual report of the parent company which does not form part of this report.

This report was approved by the board on 16 April 2021 and signed on its behalf.



.....
S McConnell
Secretary

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £54,062,846 (2019 - £47,000,002).

There were £1,409,759,725 of dividends paid in the year under review (2019 - £46,274,897).

Please refer to the Strategic Report for information on risk management objectives and policies.

GROUP REORGANISATION

On 3rd August 2020, as part of a wider reorganisation of the ownership of Grosvenor Group, the shareholders of the Company (then called Grosvenor Group Limited) entered into an agreement to transfer their shares in the Company to GGL Group Number Two Limited (now called Grosvenor Group Limited). The shareholders received consideration in the form of new shares issued by GGL Group Number Two Limited. As a result of this, the Company ceased to be the ultimate holding company of the Grosvenor Group. The purpose of the transaction is to align the net assets of the ultimate holding company with that of the consolidated group.

Subsequent to the reorganisation, on 8th October 2020, the Company exchanged names with the new holding company such that the Company became GGL Group Number Two Limited.

As part of this reorganisation, the Company paid a dividend in specie of £1,358,379,205 which was satisfied by the transfer of the Company's shares in its subsidiary, Grosvenor Estate Holdings. This was funded through a rationalisation of the Company's reserves. See Statement of Changes in Equity on page 13 for more detail.

DIRECTORS

The directors who served during the year were:

M R Preston
P S Vernon
R R Davis
M W Barzun (resigned 3 August 2020)
Sir P G Dilley (resigned 3 August 2020)
B Kux (resigned 3 August 2020)
M G A McLintock (resigned 3 August 2020)
Dame F Reynolds (resigned 3 August 2020)
C Pratt (resigned 3 August 2020)

FUTURE DEVELOPMENTS

Following the reorganisation, the Company's activities are being wound down and beyond this, the directors do not anticipate any further significant changes in the activity of the Company and its profitability.

The directors have prepared the financial statements on the going concern basis. Refer to the Strategic Report for further information.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 1 to 3. These matters relate to the business review, principal risks and uncertainties and financial key performance indicators.

Engagement with employees:

This is covered by the section 172(1) Statement in the Strategic Report on Page 2.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year ended 31 December 2020.

AUDITOR

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 April 2021 and signed on its behalf.



.....
S McConnell
Secretary

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

Report on the audit of the financial statements

OPINION

In our opinion the financial statements of GGL Group Number Two Limited (the 'company'):

- 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 United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies ; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED) (CONTINUED)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement 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, 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.

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GGL GROUP NUMBER TWO LIMITED
(FORMERLY GROSVENOR GROUP LIMITED) (CONTINUED)**

These included the UK Companies Act and tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

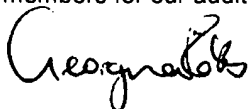
We have nothing to report in respect of these matters.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GGL GROUP NUMBER TWO LIMITED
(FORMERLY GROSVENOR GROUP LIMITED) (CONTINUED)**

USE OF OUR REPORT

This report is made solely to the Company's members 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 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 Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Georgina Robb FCA (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London
United Kingdom

20 April 2021

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Income from shares in group undertakings		54,062,846	47,000,002
Profit before tax		54,062,846	47,000,002
Tax on profit		-	-
Profit for the year		54,062,846	47,000,002

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement and as a result no statement of comprehensive income has been presented .

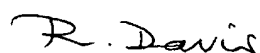
The notes on pages 15 to 21 form part of these financial statements.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)
REGISTERED NUMBER:03219943

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	7	-	1,358,379,205
		-	1,358,379,205
Current assets			
Debtors: amounts falling due within one year	8	2,999,990	317,664
Total assets less current liabilities		2,999,990	1,358,696,869
Net assets		2,999,990	1,358,696,869
Capital and reserves			
Called up share capital	9	2,842,439	284,243,850
Share premium account	10	-	28,266,266
Capital redemption reserve	10	-	225,700,673
Merger reserve	10	-	649,013,637
Profit and loss account	10	157,551	171,472,443
		2,999,990	1,358,696,869

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 April 2021.



.....
R R Davis
 Director



.....
P S Vernon
 Director

The notes on pages 15 to 21 form part of these financial statements.

**GGL GROUP NUMBER TWO LIMITED (FORMERLY
GROSVENOR GROUP LIMITED)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2020	284,243,850	28,266,266	225,700,673	649,013,637	171,472,443	1,358,696,869
Profit for the year	-	-	-	-	54,062,846	54,062,846
Distribution of merger reserve	-	-	-	(649,013,637)	-	(649,013,637)
Dividends paid	-	-	-	-	(760,746,088)	(760,746,088)
Transfer between reserves	(281,401,411)	(28,266,266)	(225,700,673)	-	535,368,350	-
Total transactions with owners	(281,401,411)	(28,266,266)	(225,700,673)	-	(225,377,738)	(760,746,088)
At 31 December 2020	2,842,439	-	-	-	157,551	2,999,990

On 2 September the directors authorised a reorganisation of the Company's capital structure, as part of the wider Group reorganisation:

-the nominal value of the issued share capital was reduced from £1 each to 1p each and £281,401,411 transferred from the share capital account to the profit and loss account.

-£28,266,266 was transferred from the share premium account to the profit and loss account.

-£225,700,673 was transferred from the capital redemption reserve to the profit and loss account.

Also, on 2 September, a dividend in specie of £1,358,379,205 was paid utilising £649,013,637 from the merger reserve and £709,365,568 from the profit and loss account. A further £51,380,520 of dividends were paid from the profit and loss account during the year.

**GGL GROUP NUMBER TWO LIMITED (FORMERLY
GROSVENOR GROUP LIMITED)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019	284,243,850	28,266,266	225,700,673	649,013,637	170,747,338	1,357,971,764
Profit for the year	-	-	-	-	47,000,002	47,000,002
Dividends paid	-	-	-	-	(46,274,897)	(46,274,897)
At 31 December 2019	284,243,850	28,266,266	225,700,673	649,013,637	171,472,443	1,358,696,869

The notes on pages 15 to 21 form part of these financial statements.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

GGL Group Number Two Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The financial statements are prepared in Sterling.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

These financial statements are separate financial statements. The company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Grosvenor Group Limited (the Group). The accounts of the Group are available to the public and can be obtained as set out in note 11.

The financial statements have been prepared under the historic cost basis, except for the revaluation of certain assets and liabilities that are restated at revalued amounts or fair values at the end of each reporting period.

Historic cost is generally based on the value of the consideration given in exchange for the assets.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 GOING CONCERN

The company is in a net asset position as at 31 December 2020.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future and for a minimum period of 12 months from the date of signing the financial statements. Accordingly, they adopt the going concern basis in preparing the Company's financial statements.

The Grosvenor Group (the "Group") is continuing to monitor developments associated with the Covid-19 virus and the associated near-term uncertainty for the global economy to understand the ongoing impact for the underlying property business and its tenants. Similarly, the Group continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

These factors have also formed part of the Group-level assessment of the Group's cash flow forecasts for the period ending 31 December 2022. In particular these forecasts consider the impact of the United Kingdom's exit from the European Union and Covid-19 on the Group's income and stressed assumptions on the availability of finance and property valuations. Having considered the economic factors outlined above, and on the basis of the Group's continued forecast liquidity and ongoing support for the Company, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future. As such the directors continue to consider preparation of the accounts on the going concern basis to be appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

2.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

i) Significant judgements in applying the Company's accounting policies

There were no significant judgements, apart from those involving estimations (which are dealt with separately below) that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

ii) Key sources of estimation uncertainty

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

Recoverability of debtor balances

Debtor balances, including intercompany balances, are reviewed annually to ensure that the counterparty is capable of repaying the balance when required. The credit quality of the counterparty is considered adequate and as such no provision has been made at 31 December 2020.

As a result of the method used to calculate any required provisions, it is not feasible to perform a sensitivity analysis.

4. AUDITORS REMUNERATION

Auditors' remuneration for the audit of the financial statements of the Company for the year ended 31 December 2020 is £4,000 (2019 - £2,582) and is borne by Grosvenor Estate Holdings, a fellow subsidiary undertaking.

No fees were payable to Deloitte LLP and its associates for non-audit services to the Company during the current or preceding year.

5. EMPLOYEES

No fees or other emoluments were paid to the directors of the Company during either the current or the preceding year in respect of their services to the Company. The directors are paid by Grosvenor Estate Management Limited.

There were no employees of the Company for the current or preceding year.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. TAXATION

	2020 £	2019 £
Total current tax	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	54,062,846	47,000,002
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	10,271,941	8,930,000
Effects of:		
Non-taxable income	(10,271,941)	(8,930,000)
Total tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2020.

7. INVESTMENTS

	Investments in subsidiary companies £
At 1 January 2020	1,358,379,205
Disposals	(1,358,379,205)
At 31 December 2020	-

On 2 September 2020 the Company paid a dividend in specie of £1,358,379,205, which was satisfied by the transfer of £1,358,379,205 of its investments, as part of a reorganisation of the ownership of the Grosvenor Group.

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. DEBTORS

	2020 £	2019 £
Amounts owed by group undertakings	2,999,990	317,664
	<u>2,999,990</u>	<u>317,664</u>

All amounts are unsecured, repayable on demand and non-interest bearing.

9. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
5,684,877 (2019 - 5,684,877) Ordinary shares of £0.01 each (2019 - £1 each)	56,849	5,684,877
5,684,877 (2019 - 5,684,877) 'A' Preference shares of £0.01 each (2019 - £1 each)	56,849	5,684,877
272,874,096 (2019 - 272,874,096) Non-voting redeemable D1 preference shares of £0.01 each (2019 - £1 each)	2,728,741	272,874,096
	<u>2,842,439</u>	<u>284,243,850</u>

On 2 September 2020 the directors authorised a reorganisation of the Company's capital structure. The Company reduced the nominal value of each Ordinary, 'A' Preference and D1 Preference share from £1 each to 1p each. As a result, £281,401,411 was transferred to the profit and loss account and ultimately paid out as part of the dividend in specie (see page 4 of the Directors' Report for more detail).

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

Profits determined by the Directors as available for distribution are to be applied first in paying a fixed non-cumulative dividend of 12% per annum on the amounts paid up on the 'A' preference shares; secondly in paying to the holders of the D1 and D2 Preference Shares. The balance of profits available for distribution shall be distributed pari passu by way of dividend to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares.

On a return of the Company's assets to Shareholders the assets are to be applied first in repaying to the holders of the 'A' preferences shares the amounts paid up on their shares; secondly repaying to the holders of the 'D1' and 'D2' preference shares in the amounts paid up or deemed paid up on their shares.

The balance of the assets is payable to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares

GGL GROUP NUMBER TWO LIMITED (FORMERLY GROSVENOR GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. RESERVES

Share premium account

Share premium is the excess consideration received, over par value, for ordinary shares in the company.

Capital redemption reserve

The capital redemption reserve contains any share capital redeemed during the year.

Merger Reserve

The difference between the fair value of the net assets acquired and the nominal value of the shares issued is accounted for as merger reserve.

Profit and loss account

The profit and loss account reserve contains the balance of retained earnings to carry forward. Dividends are paid from this reserve.

During the year, the Company undertook a reserves rationalisation as part of the wider reorganisation of the Group. Further information can be found in the statement of changes in equity on page 14.

11. CONTROLLING PARTY

On 3rd August 2020, as part of a wider reorganisation of the ownership of Grosvenor Group, the Trustees of the Company (then called Grosvenor Group Limited) the Company's ultimate parent undertaking became GGL Group Number Two Limited (now called Grosvenor Group Limited) a company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the 7th Duke of Westminster, therefore the ultimate controlling party has remained unchanged. Subsequent to the reorganisation, on 8th October 2020, the Company exchanged names with the new holding company such that the Company became GGL Group Number Two Limited.

The ultimate parent undertaking heads the largest and smallest group of undertakings of which the company is a member and for which group accounts are prepared. Grosvenor Group Limited is the immediate parent company.

Copies of the consolidated financial statements of Grosvenor Group Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.

The address of the registered office of Grosvenor Group Limited and of GGL Group Number Two Limited is 70 Grosvenor Street, London, W1K 3JP.