

GRANTCHESTER HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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GRANTCHESTER HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P J Denby D M E Page
Company secretary	Hammerson Company Secretarial Limited
Registered number	04035681
Registered office	Kings Place 90 York Way London N1 9GE

GRANTCHESTER HOLDINGS LIMITED

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GRANTCHESTER HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is to act as an investment holding company in the United Kingdom. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

Directors

The Directors who served during the year and to the date of this report were:

M R Bourgeois (resigned 11 November 2021)

T Cochrane (resigned 19 May 2021)

P J Denby

A J Dunning (appointed 11 November 2021, resigned 15 February 2022)

D M E Page was appointed as a Director after the year end on 15 February 2022.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net current liability position on the Balance Sheet as at 31 December 2021 and concluded that it was appropriate. More information is provided in note 2.4 to the financial statements.

Qualifying third party indemnity provisions

The Company's ultimate parent company, Hammerson plc, has put in place qualifying third party indemnity provisions for the benefit of the Company's Directors, which were in place throughout the year and which remain in place at the date of approval of this report.

Small companies note

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

This report was approved by the board on 3 November 2022 and signed on its behalf.



D M E Page
Director

GRANTCHESTER HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Decrease/(Increase) in impairment provision on investments	9	16,135	(17,140)
Decrease/(Increase) in impairment provision on receivables	6	315	(315)
Operating loss		16,450	(17,455)
Net finance costs	7	(2,450)	(3,112)
Profit/(Loss) before tax		14,000	(20,567)
Tax on profit/(loss)	8	-	-
Profit/(Loss) for the financial year		14,000	(20,567)

There was no other comprehensive income for 2021 (2020: £Nil).

All amounts relate to continuing activities.

The notes on pages 5 to 12 form part of these financial statements.

GRANTCHESTER HOLDINGS LIMITED
REGISTERED NUMBER: 04035681

BALANCE SHEET
AS AT 31 DECEMBER 2021

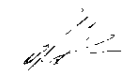
	Note	2021 £000	2020 £000
Non-current assets			
Investments	9	214,606	198,471
		<u>214,606</u>	<u>198,471</u>
Current assets			
Receivables	10	33,052	33,009
		<u>33,052</u>	<u>33,009</u>
Current liabilities			
Payables	11	(170,058)	(167,880)
		<u>(170,058)</u>	<u>(167,880)</u>
Net current liabilities		(137,006)	(134,871)
Total assets less current liabilities		<u>77,600</u>	<u>63,600</u>
Net assets		<u>77,600</u>	<u>63,600</u>
Capital and reserves			
Called up share capital	12	19,207	19,207
Share premium	13	9,837	9,837
Capital redemption reserve	13	32,485	32,485
Retained earnings	13	16,071	2,071
		<u>77,600</u>	<u>63,600</u>
Total equity		<u>77,600</u>	<u>63,600</u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 November 2022.



D M E Page
Director

The notes on pages 5 to 12 form part of these financial statements.

GRANTCHESTER HOLDINGS LIMITED

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

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 January 2020	19,207	9,837	32,485	22,638	84,167
Comprehensive loss for the year					
Loss for the year	-	-	-	(20,567)	(20,567)
Total comprehensive loss for the year	-	-	-	(20,567)	(20,567)
At 1 January 2021	19,207	9,837	32,485	2,071	63,600
Comprehensive profit for the year					
Profit for the year	-	-	-	14,000	14,000
Total comprehensive profit for the year	-	-	-	14,000	14,000
At 31 December 2021	19,207	9,837	32,485	16,071	77,600

The notes on pages 5 to 12 form part of these financial statements.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Grantchester Holdings Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The nature of the Company's operations and its principal activities are set out on the Directors' Report. The address of the registered office is Kings Place, 90 York Way, London, N1 9GE.

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.

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

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

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.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc are publicly available and can be obtain as described in note 14.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations

Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Company in respect of certain loans (note 11) whose contractual terms are affected by interest benchmark reform.

With effect from 31 December 2021, LIBOR has been replaced across all intercompany loans by SONIA (Sterling Overnight Index Average).

The Directors do not consider the above amendments or any other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2021 to have had a material impact on the Company.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company whose financial statements are included in the consolidated financial statements of Hammerson plc, a company established under UK Law. The Company has taken the exemption available under S400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its Group. See note 14 for the registered office of Hammerson plc.

2.5 Going concern

The Company has net current liabilities as at 31 December 2021 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. These liabilities relate to amounts due to the ultimate parent company. The Directors consider that the Company is an integral part of Hammerson plc's structure and strategy and this is evidenced by a letter of support from Hammerson plc, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least 12 months from the date of signing of these financial statements.

After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.6 Net finance costs

Net finance costs include interest payable to related party undertakings, net of interest receivable on funds invested.

2.7 Fixed asset investments

Fixed asset investments, including investments in subsidiaries and other related undertakings, are shown at cost less provision for impairment.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets, including intercompany loans, are subsequently carried at amortised cost using the effective interest method, less loss allowance. Financial liabilities, including intercompany loans are subsequently carried at amortised cost using the effective interest method.

Impairment provisions for financial assets are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of financial assets is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for financial assets. For financial assets, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the Statement of Comprehensive Income. On confirmation that the financial asset will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial assets and financial liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends *either to settle on a net basis, or to realise the asset and settle the liability simultaneously*.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The Company's critical judgements and areas of estimation uncertainty are in respect of the valuation of investments and impairment provisions.

Valuation of investments

The Company's investments include direct and indirect subsidiaries, as per note 9, which are carried in the Balance Sheet at historical cost less provision for impairment, which are assessed by the Directors based upon the net assets of the subsidiaries in which the Company invests. The principal assets of the indirect subsidiaries are their investment properties which are valued six monthly by professional qualified external valuers. The Directors must ensure they are satisfied that the Company's investment in the subsidiaries is appropriate for the financial statements. The basis of valuation of the indirect subsidiaries investment properties is set out in the notes to the financial statements of these subsidiaries for the year ended 31 December 2021.

Impairment provisions

Judgement is required in assessing revenue recognition and the potential impairment of financial assets. The Directors have assessed the recoverability of amounts due from related undertakings, taking into account the value of their underlying net assets. A loss allowance provision against amounts due from fellow group undertakings was made as at 31 December 2021 of £Nil (2020: £315,000).

An additional significant judgement necessary in the preparation of these financial statements was in relation to the appropriateness of the going concern basis of preparation, further information on which is provided in note 2.5.

4. Auditors' remuneration

Another group company paid the auditors' fees for the audit of the Company's annual financial statements in the prior year. Fees for the audit of the Company in the prior year were £900.

5. Employees

The Company had no employees other than the Directors during the current or prior year.

The Directors did not receive any remuneration for their services from the Company in the year (2020: £Nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of this disclosure. In addition there were no payments to key management personnel in either the current or preceding financial year.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Increase in impairment provision on receivables

	2021 £000	2020 £000
(Decrease)/Increase in impairment provision on amounts due from fellow group undertakings	(315)	315

7. Net finance cost

	2021 £000	2020 £000
Interest payable to ultimate parent company	2,450	3,112

8. Tax on profit/(loss)

	2021 £000	2020 £000
Current tax on profit/(loss) for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK of 19% (2020:19%). The differences are explained below:

	2021 £000	2020 £000
Profit/(Loss) on ordinary activities before tax	14,000	(20,567)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	2,660	(3,908)
Effects of:		
Impairment of investments	(3,065)	3,257
Impairment of receivables	(60)	60
Group relief	465	591
Total tax charge for the year	-	-

GRANTCHESTER HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Fixed asset investments

	2021 £000	2020 £000
Cost		
At 1 January	325,795	325,795
	<u>325,795</u>	<u>325,795</u>
At 31 December		
Impairment provision		
At 1 January	(127,324)	(110,184)
Increase in impairment provision	16,135	(17,140)
	<u>(111,189)</u>	<u>(127,324)</u>
At 31 December		
Carrying value		
At 1 January	198,471	215,611
At 31 December 2021	<u>214,606</u>	<u>198,471</u>

The Company owns 100% of the issued ordinary share capital of the companies listed below. All directly and indirectly held group undertakings are registered in England and Wales with the same registered office as the Company.

Name	Class of share capital held	Nature of business
Grantchester Investments Limited	Ordinary	Dormant
Grantchester Limited*	Ordinary	Intermediate parent company
Grantchester Property Management Limited	Ordinary	Dormant
Westchester Property Holdings Limited	Ordinary	Intermediate parent company

Also included within investments is an interest in 50% of the voting ordinary and A ordinary share capital and 100% of the B ordinary share capital of Westchester Holdings Limited**, a jointly controlled investment holding company.

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Fixed asset investments (continued)

*At 31 December 2021, Grantchester Limited owned 100% of the issued ordinary share capital of the companies listed below:

Name	Class of share capital held	Nature of business
Crocusford Limited	Ordinary	Property investment
Grantchester Developments (Birmingham) Limited	Ordinary	Property investment
Grantchester Group Limited	Ordinary	Management Services
Grantchester Properties (Gloucester) Limited	Ordinary	Property Investment
Grantchester Properties (Luton) Limited	Ordinary	Property Investment
Grantchester Properties (Nottingham) Limited	Ordinary	Dormant
Grantchester Properties (Port Talbot) Limited	Ordinary	Dormant
Grantchester Properties (Sunderland) Limited	Ordinary	Dormant
London & Metropolitan Northern	Ordinary	Dormant

**Westchester Holdings Limited owns 75% of the issued ordinary share capital of Hammerson (Euston Square) Limited, a dormant company.

On 19 May 2021, two indirect subsidiaries, Corona Vulcan Falkirk Limited (formerly Grantchester Developments (Falkirk) Limited) and Corona Vulcan Middlesbrough Limited (formerly Grantchester Properties (Middlesbrough) Limited) were sold to an external third party.

10. Receivables

	2021 £000	2020 £000
Amounts owed by fellow group undertakings	33,052	33,009

All amounts shown under receivables fall due for payment within one year and are repayable on demand. The amounts owed are unsecured. Amounts owed by fellow group undertakings are non-interest bearing.

Amounts owed by fellow group undertakings are shown after deducting loss allowance provisions of £Nil (2020: £315,000).

GRANTCHESTER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Payables

	2021 £000	2020 £000
Amounts owed to ultimate parent company	170,058	167,854
Amounts owed to fellow group undertakings	-	26
	<u>170,058</u>	<u>167,880</u>

Interest is charged on amounts owed to the ultimate parent company at variable rates which have historically been based on LIBOR and are repayable on demand. With effect from 1 January 2022, LIBOR was replaced with SONIA (Sterling Overnight Index Average). All amounts owed are unsecured. Amounts owed to fellow group undertakings are non-interest bearing.

12. Called up share capital

	2021 £000	2020 £000
Authorised		
170,259,257 (2020: 170,259,257) ordinary shares of £0.25 each	<u>42,565</u>	<u>42,565</u>
Allotted, called up and fully paid		
76,827,326 (2020: 76,827,326) ordinary shares of £0.25 each	<u>19,207</u>	<u>19,207</u>

13. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium

This reserve represents amounts subscribed for share capital in excess of nominal value.

Capital redemption reserve

This reserve represents the nominal value of share capital redeemed

Retained earnings

The reserve represents cumulative profits and losses less any dividends paid.

14. Controlling party

At the end of the current and preceding year, the Company's immediate, ultimate parent company and ultimate controlling party was Hammerson plc, which is registered in England and Wales and is the largest and smallest group to consolidate these financial statements.

The consolidated financial statements of the ultimate parent company, Hammerson plc, are available from that company's registered office, Kings Place, 90 York Way, London, N1 9GE.