

Registered number: 04140116

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## GROSVENOR UK FINANCE PLC

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



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## GROSVENOR UK FINANCE PLC

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## **GROSVENOR UK FINANCE PLC**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **INTRODUCTION**

The directors present their Annual Report on the affairs of Grosvenor UK Finance Plc (the 'Company') together with the audited financial statements for the year ended 31 December 2020.

#### **BUSINESS REVIEW**

The principal activity of the Company during the year was the holding of finance through listed debt securities. The Company uses these funds to lend to the Grosvenor Limited Group for general use in its business. During the year the Company's listed debt securities continued to be listed on the Professional Securities Market of the London Stock Exchange.

The Company has net assets of £8,404,000 (2019 - £7,490,000) and net current assets of £209,455,000 (2019 - £208,690,000). The Company made £914,000 of profit as at 31 December 2020 (2019 - £856,000).

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future and a minimum of 12 months from the date of signing the financial statements. Specifically, the directors have considered the impact of both Covid-19 and Brexit on the future performance of the Company.

The Company as part of the wider Grosvenor Limited 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 Company continues to plan for all reasonable eventualities following the United Kingdom's exit from the European Union.

The Directors have considered the going concern assumption for the Company in light of these developments and considered the possible impact of Brexit and Covid-19, for example on income and availability of funding, in determining the possible impact on the Company's cash flow forecasts for the period ending 31 December 2022. On the basis of the Company's continued forecast liquidity, the Directors consider it appropriate to prepare the accounts on a going concern basis

The results of the Company for the year are shown in the Income Statement.

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

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## GROSVENOR UK FINANCE PLC

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

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#### 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 financial risk through its assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the directors consider relevant to this Company are credit risk and liquidity risk. These risks are mitigated by the high credit quality of the debtor balances receivable, these being due from other group companies.

The Company is a subsidiary of Grosvenor Limited, together with its subsidiaries (the 'Group'). The Group co-ordinates its cash flows, liquidity position and borrowing facilities on a 'Group' basis and further disclosures relating to these matters, including the impact of Brexit, are included in the Annual Report of Grosvenor Limited.

The UK's exit from the European Union (the 'EU') on 31 January 2020 has had no discernible impact on the Group's operations during the year. The Company, as part of the wider Group, will continue to monitor potential operational or financial impacts arising under the EU-UK Trade and Cooperation Agreement, effective between the UK and the EU from 1 January 2021. Any related increase or decrease in profitability in the next 12 months is not expected to impact the long term strategy of the Company.

The impact of the ongoing global pandemic remains a risk to the future performance of the Group. Further information is provided in the Going Concern section of this report.

The Group co-ordinates its cash flows, liquidity position and borrowing facilities on a group basis and further disclosure relating to these matters, including the impact of Covid-19 and Brexit, are included in the Annual Report of Grosvenor Limited.

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## GROSVENOR UK FINANCE PLC

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

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#### SECTION 172(1) STATEMENT

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
- information on the effect of that regard on the Company's decisions and strategies during the financial year and in the long term.

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 Company's policy is to maintain close contact during each financial year with bondholders, recognising the importance of fostering these relationships for the long-term funding and financial success of the business.

As a Grosvenor company, our purpose is fully embedded in the way the Company operates. Further detail is contained in the Strategic Report of the Grosvenor Limited Group Report and Accounts for the year ended 31 December 2020.

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.

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## GROSVENOR UK FINANCE PLC

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

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#### KEY PERFORMANCE INDICATORS

The directors of Grosvenor Limited manage its group operations on a divisional basis. The consolidated performance of the Grosvenor Limited Group, which includes the Company, is discussed in the annual report of Grosvenor Limited which does not form part of this report. For this reason, the Company's directors believe that further disclosure of key financial and non-financial performance indicators for the Company are neither necessary nor appropriate for an understanding of the development, performance or position of the business of the Company.

This report was approved by the board on 4 March 2021 and signed on its behalf.

*Roger Blundell*

Roger Blundell (Mar 4, 2021 16:02 GMT)

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**R F C Blundell**

Director

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## GROSVENOR UK FINANCE PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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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 £914,000 (2019 - £856,000).

The directors did not recommend or pay a dividend in the current year under review (2019 - £nil).

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

#### DIRECTORS

The directors who served during the year and subsequently, except as noted, were:

R F C Blundell  
C D McWilliam (resigned 10 January 2020)  
J R A Bond (appointed 10 January 2020)  
J G Raynor (appointed 10 January 2020)  
S A Lovegrove (appointed 10 January 2020)

#### FUTURE DEVELOPMENTS

The directors do not anticipate any significant change in the activity of the Company and its profitability in the forthcoming year. This is consistent with the long-term strategy of the Company and the fact that the bonds issued by the entity have a number of years until maturity.

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

#### BUSINESS RELATIONSHIPS

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

#### GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company is not required to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as it is a subsidiary entity. Disclosures at a Group level can be found in the Grosvenor Limited financial statements.

#### 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 pages 1 to 3. These matters relate to the business review, principal risks and uncertainties and financial key performance indicators.

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**GROSVENOR UK FINANCE PLC**

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

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director 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 auditor is 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 auditor is aware of that information.

This information 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 31 December 2020.

**AUDITOR**

A resolution to appoint Deloitte LLP as auditor will be considered at the Annual General Meeting at which the accounts are laid.

This report was approved by the board on 4 March 2021 and signed on its behalf.

*Derek Lewis*

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**D J Lewis**  
Company Secretary



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## **GROSVENOR UK FINANCE PLC**

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

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### 1. OPINION

In our opinion the financial statements of Grosvenor UK Finance Plc (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; and
- the related notes 1 to 15.

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).

##### 2. 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 Auditors' 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 as applied to listed entities, 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.

##### 3. SUMMARY OF OUR AUDIT APPROACH

- The key audit matter that we identified in the current year is the recoverability of debtors from a group undertakings. This is consistent with the prior year key audit matter.
- The materiality that we used in the current year was £4,256,000 which was determined on the basis of 2% of total assets.
- Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
- There have been no significant changes in our approach from the prior year.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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#### 4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included challenging the risk of default on the company's borrowings through an assessment of the credit-worthiness of intercompany counterparties and their ability to repay amounts owed at the reporting date.

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.

#### 5. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

##### 5.1 RECOVERABILITY OF DEBTORS FROM GROUP UNDERTAKING

##### KEY AUDIT MATTER DESCRIPTION

Debtors from the group undertakings are stated in the balance sheet at £212,803,000 (2019: £212,038,000). As this is a significant amount on the balance sheet, its recoverability is considered as a key audit matter.

There is a significant level of judgement involved in determining the recoverability of debtors from group undertakings based on the financial position and future prospects of the group undertakings.

In considering recoverability and potential impairment under IFRS 9 "Financial Instruments", the Directors of the Company must assess the respective credit quality and liquidity of each group undertaking. They have also considered any impact of coronavirus ("Covid-19") as part of their impairment assessment.

Further detail is included within the accounting policy in note 2.4.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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#### HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

We have challenged the Director's judgements regarding the appropriateness of the carrying value through a detailed assessment of the credit and liquidity position of each respective counterparty.

In addition, we have challenged management's assessment of whether there is any adverse impact of Covid-19 on the Company's ability to recover debtors due from group undertakings.

#### KEY OBSERVATIONS

Based on the work performed we concluded that debtors from group undertakings are recoverable and appropriately stated.

#### 6. OUR APPLICATION OF MATERIALITY

##### 6.1. MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

- Materiality: £4,256,000 (2019: £4,240,000)
- Basis for determining materiality: 2% of total assets (2019: 2% of total assets).
- Rationale for the benchmark applied: We determined materiality based on total assets as this is the key metric used by management and lenders.

##### 6.2. PERFORMANCE MATERIALITY

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- a. the quality of the control environment;
- b. and potential impact of Brexit or Covid-19; or
- c. low volume of corrected / uncorrected misstatements in current and prior periods.

##### 6.3. ERROR REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £212,800 (2019: £212,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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## **GROSVENOR UK FINANCE PLC**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC**

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#### **7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

#### **8. OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **9. RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement, 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.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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#### 10. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 11. 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.

##### 11.1. IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act and relevant tax legislation etc.

In addition, we considered provisions of other laws and regulations that 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.

#### 11.2. AUDIT RESPONSE TO RISKS IDENTIFIED

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### 12. 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 or the directors' report.

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## GROSVENOR UK FINANCE PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR UK FINANCE PLC

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#### 13. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

##### 13.1. ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

##### 13.2. DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of these matters.

#### 14. USE OF OUR REPORT

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



Darren Longley FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Chartered Accountants

London

United Kingdom

4 March 2021



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GROSVENOR UK FINANCE PLC

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INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Note	2020 £000	2019 £000
Interest receivable and similar income	6	13,764	13,715
Interest payable and similar charges	7	(12,850)	(12,859)
<b>Profit before tax</b>		<b>914</b>	<b>856</b>
Tax on profit	8	-	-
<b>Profit for the financial year</b>		<b>914</b>	<b>856</b>

There were no items of other comprehensive income for 2020 or 2019 other than those included in the income statement. As a result no statement of total comprehensive income has been presented.

The notes on pages 18 to 27 form part of these financial statements.

All activities in the current year and prior year are derived from continuing operations.

**GROSVENOR UK FINANCE PLC**  
**REGISTERED NUMBER: 04140116**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	212,803	212,038
		<u>212,803</u>	<u>212,038</u>
Creditors: amounts falling due within one year	10	(3,348)	(3,348)
		<u>209,455</u>	<u>208,690</u>
<b>NET CURRENT ASSETS</b>			
		<u>209,455</u>	<u>208,690</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>209,455</u>	<u>208,690</u>
Creditors: amounts falling due after more than one year	11	(201,051)	(201,200)
		<u>8,404</u>	<u>7,490</u>
<b>NET ASSETS</b>		<u>8,404</u>	<u>7,490</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	50	50
Retained earnings	13	8,354	7,440
		<u>8,404</u>	<u>7,490</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 March 2021.

*Roger Blundell*

Roger Blundell (Mar 4, 2021 16:02 GMT)

**R F C Blundell**  
Director

*J G Raynor*

james raynor (Mar 4, 2021 16:12 GMT)

**J G Raynor**  
Director

The notes on pages 18 to 26 form part of these financial statements.

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**GROSVENOR UK FINANCE PLC**

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

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	<b>Called up share capital £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
<b>At 1 January 2019</b>	<b>50</b>	<b>6,584</b>	<b>6,634</b>
Profit for the year	-	856	856
<b>At 1 January 2020</b>	<b>50</b>	<b>7,440</b>	<b>7,490</b>
Profit for the year	-	914	914
<b>At 31 December 2020</b>	<b>50</b>	<b>8,354</b>	<b>8,404</b>

The notes on pages 18 to 26 form part of these financial statements.

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## **GROSVENOR UK FINANCE PLC**

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

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#### **1. GENERAL INFORMATION**

Grosvenor UK Finance Plc is a public limited company 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 have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand pounds.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS101') and the Companies Act 2006.

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

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 following accounting policies have been applied:

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## GROSVENOR UK FINANCE PLC

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

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## 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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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.

Where required, equivalent disclosures are given in the group accounts of Grosvenor Limited. The group accounts of Grosvenor Limited are available to the public and can be obtained as set out in note 15.

### 2.3 GOING CONCERN

The Strategic Report on page 1 describes the going concern basis of preparation of the financial statements.

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 FINANCIAL INSTRUMENTS**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach, permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment provisions will be measured using the expected credit loss model which requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses under the simplified approach as these items do not have significant financing component.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

**2.5 INTEREST INCOME**

Interest income is recognised in the Income Statement using the effective interest method.

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## GROSVENOR UK FINANCE PLC

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

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## GROSVENOR UK FINANCE PLC

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

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#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount 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 be different from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe that there are any critical accounting judgements or sources of estimation uncertainty that would result in a material difference to the accounts in the next 12 months.

#### 4. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2020 £000	2019 £000
Fees for audit services	10	9

The audit fee is borne by Grosvenor Estate Management Limited, 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. DIRECTORS' REMUNERATION

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.



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**GROSVENOR UK FINANCE PLC**

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

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**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020 £000</b>	<b>2019 £000</b>
Interest receivable from group companies	<b>13,764</b>	13,715
	<b>13,764</b>	13,715

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2020 £000</b>	<b>2019 £000</b>
Interest payable on Secured Debenture Stock	<b>13,000</b>	13,000
Amortisation of deferred finance cost	<b>(150)</b>	(141)
	<b>12,850</b>	12,859

**8. TAXATION**

The total current tax for the year is £nil (2019 - £nil).

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	<b>2020 £000</b>	<b>2019 £000</b>
Profit before tax	<b>914</b>	856
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>174</b>	163
<b>EFFECTS OF:</b>		
Group relief received for nil consideration	<b>(174)</b>	(163)
<b>TOTAL TAX FOR THE YEAR</b>	<b>-</b>	-

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**GROSVENOR UK FINANCE PLC**

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

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**8. TAXATION (CONTINUED)**

**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 the year ended 31 December 2020. The scheduled reduction in Corporation Tax from 19% to 17% from 1 April 2020 was revoked in the budget on 11 March 2020 and substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 remains at 19%.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>212,803</b>	212,038
	<b>212,803</b>	<b>212,038</b>

Interest is charged on the amounts owed by group undertaking at a fixed rate of 6.7% (2019 - 6.7%) per annum and is repayable on demand.

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accruals and deferred income	<b>3,348</b>	3,348
	<b>3,348</b>	<b>3,348</b>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Secured Debenture Stock 2026 (Note 12)	<b>201,051</b>	201,200
	<b>201,051</b>	<b>201,200</b>

The effective interest rate on the secured debenture stock is 6.5% (2019 - 6.5%). The debenture stock is secured by means of a floating charge over the assets of Grosvenor West End Properties, a fellow subsidiary, and is repayable in a single instalment in 2026.

Included in the debenture stock is £1,051,000 (2019 - £1,200,000) of net unamortised premium.

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**GROSVENOR UK FINANCE PLC**

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

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**12. SECURED DEBENTURE STOCK: AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS**

Analysis of the maturity of loans is given below:

	<b>2020 £000</b>	<b>2019 £000</b>
Secured Debenture Stock 2026	<b>201,051</b>	201,200
	<b>201,051</b>	<b>201,200</b>

The debenture stocks due in 2026 are secured by means of a floating charge over the investment properties with a carrying value of £1,459,700 (2019 - £1,584,000).

**13. RESERVES**

**Called up share capital**

The balance classified as called up share capital includes the total net proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

**Distributable reserves**

The reserve contains the balance of retained earnings to carry forward, being accumulated realised profits.

**Non distributable reserve**

The reserve contains the balance of retained earnings to carry forward which are not available for distribution.

The split of retained earnings between non distributable and distributable reserves are detailed below:

	<b>Non- distributable £000</b>	<b>Distributable £000</b>	<b>Total £000</b>
<b>At 1 January 2020</b>	-	7,440	7,440
Realised profits	-	914	914
<b>At 31 December 2020</b>	-	<b>8,354</b>	<b>8,354</b>

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## GROSVENOR UK FINANCE PLC

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

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#### 14. CALLED UP SHARE CAPITAL

	2020 £000	2019 £000
<b>Authorised, called up and fully paid</b>		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	<b>50</b>	<b>50</b>

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

#### 15. CONTROLLING PARTY

The Company's ultimate parent undertaking is Grosvenor Group Limited a company incorporated in the United Kingdom and registered in England and Wales which is wholly owned by trusts on behalf of the Grosvenor family, headed by the Duke of Westminster.

The ultimate parent undertaking heads the largest group of undertakings of which the Company is a member and for which group accounts are prepared. Grosvenor Limited, the intermediate holding Company, heads the smallest group of undertakings of which the Company is a member and for which group accounts are prepared.

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor 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 Grosvenor Limited is 70 Grosvenor Street, London, W1K 3JP.