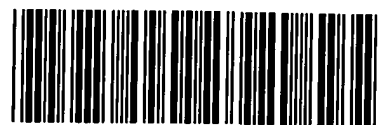

OLD BROAD STREET PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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OLD BROAD STREET PROPERTIES LIMITED

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OLD BROAD STREET PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the Old Broad Street Properties Limited (the "Company") during the year was property investment in central London offices via its interest in the Grosvenor London Office Fund, a limited partnership. The Company is in a net asset position and net current asset position.

The Company is a private limited company incorporated in England and Wales. Its registered office is 70 Grosvenor Street, London, United Kingdom, W1K 3JP.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £6,427,225 (2021: profit £329,513).

There were no dividends paid in the year under review (2021: £nil).

DIRECTORS

The directors who served during the year were:

J C Goode
S J Moore (resigned 30 June 2023)
D R Wright (appointed 30 June 2023)
R Gill (appointed 18 July 2023)

FUTURE DEVELOPMENTS

The Company's results are largely linked to the performance of the property markets across Europe. The current uncertainty in these economies and their property markets could negatively impact the value of the portfolio over the next few years. Any related increase or decrease in profitability in the next 12 months is not expected to impact the long term strategy of the Company.

A review of the Company's ultimate parent, Grosvenor Group's, strategy took place which has included a review of capital allocation targets and ranges. The key conclusions are, as new investments are made, the intention is to allocate more capital indirectly and into alternative sectors which will result in changes in the Company's underlying investments and operations in the future.

OLD BROAD STREET PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

GOING CONCERN

Despite the strategy review explained in 'future developments', the impact of which has not immediately been seen on the Company, 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.

The Company, as part of the wider Grosvenor Group is continuing to monitor the ongoing volatility in the macro-economic climate. This uncertainty is contributed to by the ongoing conflict in Ukraine, residual effects of the global pandemic, and significant volatility in the financial markets. Through continual monitoring, the Group ensures that as a whole it can withstand significant economic shock.

The Directors have considered the going concern assumption for the Group in light of this strategy in determining the possible impact on the Group's cash flow forecasts for the period ending 31 December 2024. 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 loss after tax for the year in 2022 was £6,427,225 (2021: profit £329,513).

The Company is in a net asset position of £42,906,697 (2021: net assets of £49,333,922) and net current asset position of £42,900,461 (2021: £40,534,350).

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 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 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 end.

AUDITOR

Deloitte LLP, has indicated its willingness to be reappointed for another term and under the Companies Act 2006 is deemed to be reappointed accordingly.


OLD BROAD STREET PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 and signed on its behalf by:

DocuSigned by:

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D R Wright
Director

Date: 29-Sep-2023

OLD BROAD STREET PROPERTIES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OLD BROAD STREET PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BROAD STREET PROPERTIES LIMITED

OPINION

In our opinion the financial statements of Old Broad Street Properties Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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 16.

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 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 United Kingdom, 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.

OLD BROAD STREET PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BROAD STREET PROPERTIES LIMITED

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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.

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.

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. This description forms part of our auditor's 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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

OLD BROAD STREET PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BROAD STREET PROPERTIES LIMITED

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. These included 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.

As a result of performing the above, we identified the greatest potential for fraud in the recoverability of investments as management have the opportunity to apply bias in their assessment of the investments for impairment purposes. Our specific procedures performed to address this are described below:

- we obtained and documented an understanding of relevant controls in the investment impairment analysis process;
- we considered the existence of any indicators of impairment for each investment held;
- we performed additional procedures, where required, to obtain comfort on net assets value of the investments; and
- we concluded whether investments were held at an appropriate value as at 31 December 2022.

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

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 directors' report.

OLD BROAD STREET PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BROAD STREET PROPERTIES LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

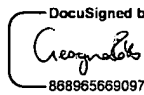
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.

DocuSigned by:

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Georgina Robb, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP
Statutory Auditor

London
United Kingdom
Date: 29-Sep-2023

OLD BROAD STREET PROPERTIES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	18,859,444	329,513
Gross profit		<u>18,859,444</u>	<u>329,513</u>
Other expenses	5	(16,493,334)	-
Operating profit	5	2,366,110	329,513
Impairment of investments	9	(8,793,335)	-
(Loss)/profit before tax		<u>(6,427,225)</u>	<u>329,513</u>
Tax on (loss)/profit	8	-	-
(Loss)/profit for the financial year		<u><u>(6,427,225)</u></u>	<u><u>329,513</u></u>

All activities in the current and prior years are derived from current operations. The Company has no other comprehensive income for the year (2021: £nil).

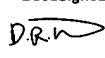
The notes on pages 12 to 21 form part of these financial statements.

OLD BROAD STREET PROPERTIES LIMITED
REGISTERED NUMBER: 03008914

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	9	6,236	8,799,572
		<u>6,236</u>	<u>8,799,572</u>
Current assets			
Debtors: amounts falling due within one year	10	42,900,468	40,534,357
		<u>42,900,468</u>	<u>40,534,357</u>
Creditors: amounts falling due within one year	11	(7)	(7)
		<u>42,900,461</u>	<u>40,534,350</u>
Net current assets			
		<u>42,906,697</u>	<u>49,333,922</u>
Total assets less current liabilities			
		<u>42,906,697</u>	<u>49,333,922</u>
Net assets			
		<u>42,906,697</u>	<u>49,333,922</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	42,906,597	49,333,822
		<u>42,906,697</u>	<u>49,333,922</u>
Total equity			
		<u>42,906,697</u>	<u>49,333,922</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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D R Wright
 Director

Date: 29-Sep-2023

The notes on pages 12 to 21 form part of these financial statements.

OLD BROAD STREET PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	100	49,333,822	49,333,922
Comprehensive expense for the year			
Loss and total comprehensive expense for the year	-	(6,427,225)	(6,427,225)
Total comprehensive expense for the year	-	(6,427,225)	(6,427,225)
Total transactions with owners	-	-	-
At 31 December 2022	100	42,906,597	42,906,697

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	100	49,004,309	49,004,409
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	329,513	329,513
Total comprehensive income for the year	-	329,513	329,513
Total transactions with owners	-	-	-
At 31 December 2021	100	49,333,822	49,333,922

The notes on pages 12 to 21 form part of these financial statements.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

Old Broad Street Properties 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 Company's registered address is 70 Grosvenor Street, London, United Kingdom, W1K 3JP.

The principal activity of the Old Broad Street Properties Limited (the "Company") during the year was property investment in central London offices via its interest in the Grosvenor London Office Fund, a limited partnership.

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 pound.

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 financial statements have been prepared under the historic cost basis, except for the revaluation of certain assets and liabilities.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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).

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

Where required, equivalent disclosures are given in the group accounts of Grosvenor Group Limited. The group accounts of Grosvenor Group Limited are available to the public and can be obtained as set out in note 16.

The directors' report describes the going concern basis for preparation of the financial statements.

**NEW STANDARDS, AMENDMENTS, IFRIC INTERPRETATIONS AND NEW RELEVANT
2.3 DISCLOSURE REQUIREMENTS**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

Despite the strategy review explained in 'future developments', the impact of which has not immediately been seen on the Company, 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.

The Company, as part of the wider Grosvenor Group is continuing to monitor the ongoing volatility in the macro-economic climate. This uncertainty is contributed to by the ongoing conflict in Ukraine, residual effects of the global pandemic, and significant volatility in the financial markets. Through continual monitoring, the Group ensures that as a whole it can withstand significant economic shock.

The Directors have considered the going concern assumption for the Group in light of these developments in determining the possible impact on the Group's cash flow forecasts for the period ending 31 December 2024. 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 profit after tax for the year in 2022 was £6,427,225 (2021: £329,513).

The Balance Sheet shows that the Company's net assets have decreased from £49,333,922 to £42,906,697 for the year ended 31 December 2022.

2.5 TURNOVER

The revenue shown in the income statement represents income from fixed asset investments in the year from the Grosvenor London Office Fund.

2.6 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.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 DEBTORS

Trade receivables, loans, contract assets and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for indicators of impairment at each balance sheet date.

The Company assesses on a forward-looking basis the expected credit loss 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, the Company applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 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 and financial liabilities are initially measured at fair value.

Financial assets

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.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

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

Borrowings

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.

2.9 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 CURRENT TAXATION

Tax is recognised in profit or loss except that a charge 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.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

3.1 Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical judgements made in the process of applying the Company's accounting policies.

3.2 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:

(i) Impairment of investment in subsidiaries and intercompany loans

A key source of estimation uncertainty relates to the recoverability of investments and intercompany debtors or creditors that are held at cost less accumulated impairment. The underlying net asset value of investments is predominantly affected by the value of property held in the investments as these require specialist knowledge to value appropriately. The recoverability of intercompany debtors with these entities is thus similarly affected by property valuations.

The underlying properties within these investments have been individually valued by appropriately qualified valuers with suitable experience. The Market Value is based upon the Scope of Work and Valuation Assumption, and has been primarily derived using comparable recent market transactions on arm's length terms. No account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio of properties were to be marketed simultaneously, either in lots or as a whole. The directors note that the associated near-term economic uncertainty creates greater uncertainty in the estimation of these investment values and the underlying properties held in these investment vehicles.

Recoverability of this balance is assessed by comparing the Net Asset Value of the Company, largely derived from property valuations, to the carrying value of the Company in the Old Broad Street Properties Limited accounts. This acts as an impairment indicator and is assessed by management. If management do not consider an impairment to be necessary, they produce cashflow forecasts to support this position.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Income from dividends	18,859,444	329,513
	<u>18,859,444</u>	<u>329,513</u>

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Write-off of intercompany asset	16,493,334	-
	<u>16,493,334</u>	<u>-</u>

The intercompany loan write-off relates to a loan made by Old Broad Street Properties Limited to Grosvenor European Investments Limited which was waived.

6. AUDITOR'S REMUNERATION

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent Company.

Auditor remuneration of £12,000 (2021: £7,300) for the current year will be borne by Grosvenor Europe Limited.

7. PARTICULARS OF EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration from the Company (2021: nil).

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.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. TAXATION

	2022	2021
	£	£
CORPORATION TAX		
Current tax on result for the year	-	-
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit before tax	(6,427,225)	329,513
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%).	(1,221,173)	62,607
EFFECTS OF:		
Expenses not deductible for tax purposes	4,804,467	-
Group relief surrendered/ (received) for no consideration	22,658	(114,215)
Non-taxable income	(3,583,294)	(62,607)
Share of results of partnership interests	(22,658)	114,215
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

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 2022. From 1 April 2023, the UK corporation tax rate will increase to 25% (Finance Act 2021).

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. INVESTMENTS

	Investments £
Cost or valuation	
At 1 January 2022	8,799,572
Impairment	(8,793,336)
	<hr/>
At 31 December 2022	<u>6,236</u>

The following was an investment of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Grosvenor London Office Fund	70 Grosvenor Street, London, United Kingdom, W1K 3JP.	Property investment	Ordinary	12.67%

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts owed by group undertakings	<u>42,900,468</u>	<u>40,534,357</u>

There are no interest bearing amounts owed by group undertakings at 31 December 2022 (2021: £nil).

Amounts owed by group undertakings are unsecured and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other taxation and social security	<u>7</u>	<u>7</u>

There are no interest bearing amounts owed to group undertakings at 31 December 2022 (2021: £nil).

Amounts owed to group undertakings are unsecured and repayable on demand.

OLD BROAD STREET PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. SHARE CAPITAL

	2022 £	2021 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
100 (2021: 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

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

13. RESERVES

Profit and loss account

Profit and loss account contains cumulative earnings to carry forward. Dividends are paid from this reserve.

14. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Grosvenor Group Limited, and as such has taken advantage of the exemption permitted by IAS 24 related party disclosure, not to provide disclosures of transactions entered into with other wholly owned members of the group.

15. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

16. CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is Grosvenor Group Limited, a company incorporated in Great Britain 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 registered address of the Grosvenor Group Limited is 70 Grosvenor Street, London, England, W1K 3JP.

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 Europe Investments Limited is the immediate holding company.

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