

SLATE ABBEY LIMITED

**Company Registration Number:
04365166 (England and Wales)**

Unaudited statutory accounts for the year ended 31 December 2021

Period of accounts

Start date: 1 January 2021

End date: 31 December 2021

SLATE ABBEY LIMITED

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SLATE ABBEY LIMITED

Directors' report period ended 31 December 2021

The directors present their report with the financial statements of the company for the period ended 31 December 2021

Principal activities of the company

The principal activity of the Company is property investment in the United Kingdom. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

Additional information

Going concern The Directors have a reasonable expectation that the Company will continue to comply with its bank loan covenants and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis was adopted as the basis in preparing the financial statements. **Indemnity** A qualifying third party indemnity provision was put in place for the benefit of the Company's Directors. **Directors' responsibilities statement** The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the Directors to prepare financial statements for each financial year. 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 the 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. The Directors 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.

Directors

The directors shown below have held office during the whole of the period from
1 January 2021 to 31 December 2021

Lisa Rowe
Ramsey Ali
Brady Welch

Secretary Ramsey Ali

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
30 September 2022

And signed on behalf of the board by:

Name: Lisa Rowe
Status: Director

SLATE ABBEY LIMITED

Profit And Loss Account for the Period Ended 31 December 2021

	2021	11 months to 31 December 2020
	£	£
Turnover:	3,548,000	2,929,000
Cost of sales:	(495,000)	(272,000)
Gross profit(or loss):	3,053,000	2,657,000
Administrative expenses:	(183,000)	(175,000)
Other operating income:	5,527,000	974,000
Operating profit(or loss):	8,397,000	3,456,000
Interest receivable and similar income:	250,000	0
Interest payable and similar charges:	(1,036,000)	(1,062,000)
Profit(or loss) before tax:	7,611,000	2,394,000
Tax:	(1,867,000)	(482,000)
Profit(or loss) for the financial year:	5,744,000	1,912,000

SLATE ABBEY LIMITED

Balance sheet

As at 31 December 2021

	<i>Notes</i>	<i>2021</i>	<i>11 months to 31 December 2020</i>
		£	£
Fixed assets			
Tangible assets:	3	40,000,000	34,400,000
Investments:	4	281,000	31,000
Total fixed assets:		<u>40,281,000</u>	<u>34,431,000</u>
Current assets			
Debtors:	5	814,000	662,000
Cash at bank and in hand:		2,083,000	1,241,000
Total current assets:		<u>2,897,000</u>	<u>1,903,000</u>
Creditors: amounts falling due within one year:	6	(753,000)	(540,000)
Net current assets (liabilities):		<u>2,144,000</u>	<u>1,363,000</u>
Total assets less current liabilities:		<u>42,425,000</u>	<u>35,794,000</u>
Creditors: amounts falling due after more than one year:	7	(27,743,000)	(26,212,000)
Total net assets (liabilities):		<u>14,682,000</u>	<u>9,582,000</u>
Capital and reserves			
Called up share capital:		7,670,000	41,385,000
Profit and loss account:		7,012,000	(31,803,000)
Total Shareholders' funds:		<u>14,682,000</u>	<u>9,582,000</u>

The notes form part of these financial statements

SLATE ABBEY LIMITED

Balance sheet statements

For the year ending 31 December 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 30 September 2022
and signed on behalf of the board by:**

Name: Lisa Rowe
Status: Director

The notes form part of these financial statements

SLATE ABBEY LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2021

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Revenue from property includes rents from tenants under lease agreements, property tax, and operating cost recoveries and other incidental income. Lease components, including rents from tenants and property tax recoveries are accounted for pursuant to IFRS 16, Leases (IFRS 16) and are therefore outside the scope of IFRS 15, Revenue from Contracts with Customers (IFRS 15), while non-lease components which includes operating cost recoveries are within the scope of IFRS 15. The Company has retained substantially all of the risks and benefits of ownership of its property and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. This occurs on the lease inception date, or where the Company is required to make additions to the property in the form of tenant improvements that enhance the value of the property, upon substantial completion of those improvements. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease. Straight-line rent receivable, which is included in the carrying amount of the property, is the difference between the cumulative rental revenue recorded and the contractual amount received. Operating cost recoveries are recognized in the period that services are performed and are chargeable to tenants.

Valuation information and policy

Property includes land and buildings held primarily to earn rental income, for capital appreciation, or for both. The Company accounts for the property in accordance with IAS 40, Investment Property (IAS 40). For acquired property that meet the definition of a business, the acquisition is accounted for as a business combination. Acquisitions of property that do not meet the definition of a business are initially measured at cost including directly attributable transaction costs. Subsequent to acquisition, property is measured at fair value, which is determined based on available market evidence at the statement of financial position date including, but not limited to, rental revenue from current leases, and reasonable and supportable assumptions that represent what knowledgeable and willing parties would assume about rental revenue from future leases less future cash outflows in respect of operations and capital expenditures. Changes in the fair value of property are recognized in net and comprehensive income in the period in which they arise. The carrying value of property includes the impact of straight-line rent receivable, tenant inducements, and leasing costs. Leasing costs include leasing commissions, lease incentives, and legal fees directly attributable to negotiating and arranging a lease. Lease incentives that are spent on improvements are tenant improvements, and are capitalized; all other lease incentives are considered tenant inducements. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of property and are amortized on a straight-line basis over the term of a lease as a reduction of revenue.

Other accounting policies

Foreign currency transactions and balances Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss for the year. Other assets and accounts receivable Other assets and accounts receivable are carried at cost less any accumulated impairment losses. Cash and cash equivalents Cash comprises of cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Leases Leases, where the Company (as the lessor) does not transfer substantially all the risks and rewards of ownership of its property, are classified as operating leases. Leases that transfer substantially all the risks and rewards of ownership of an asset are classified as finance leases. All of the Company's leases are considered operating leases. Provisions A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Expenses Property operating expenses and other expenses are recognized in net and comprehensive income in the period in which they are incurred. Other comprehensive income Comprehensive income consists of net income and other comprehensive income (OCI). OCI represents the change in the Fund's equity during a period arising from transactions and other events with non-owner sources. Income taxes Current income tax assets and liabilities are measured at the amount expected to be received from or paid to tax authorities based on the tax rates and laws enacted or substantively enacted at the date of the consolidated statement of financial position. Deferred tax liabilities are measured by applying the appropriate tax rate to temporary differences between the carrying amounts of assets and liabilities, and their respective tax basis. The appropriate tax rate is determined by reference to the rates that are expected to apply to the year and the jurisdiction in which the assets are expected to be realized or the liabilities settled. Deferred tax assets are recorded for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. For the determination of deferred tax assets and liabilities where property is measured using the fair value model, the presumption is that the carrying amount of a property is recovered through sale, as opposed to presuming that the economic benefits of the property will be substantially consumed through use over time. Financial instruments Financial instruments are classified as amortized cost, fair value through profit or loss (FVTPL). All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs, other than those related to financial instruments classified as FVTPL, are capitalized to the carrying amount of the instrument. These

costs include amortization of discounts or premiums on borrowings, fees and commissions paid to agents, brokers and advisers, transfer taxes, and duties that are incurred in connection with the arrangement of borrowings. Subsequent to initial recognition, debt instruments or other financial liabilities are measured at amortized cost using the effective interest method or at FVTPL. All recognized financial assets are measured subsequently in their entirety at either amortized cost or FVTPL, depending on the classification of the financial assets. The Company derecognizes a financial asset or liability when its contractual rights or obligations expire, or when it transfers its rights or obligations in a transaction in which substantially all the risks and rewards of ownership are transferred. Any rights and obligations created or retained by the Company in a transfer are recognized as separate assets or liabilities.

Impairment of financial assets The Company uses an expected credit loss (ECL) impairment model for financial assets measured at amortized cost. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company recognizes lifetime ECL for accounts receivables. The amount of the expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. As there are no accounts receivable as of December 31, 2021, no provision is needed.

Fair values 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 considers 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, unless otherwise noted. Except as noted, the carrying value of the Company's financial assets and financial liabilities approximate their fair values because of the short period until cash settlement. The fair value of financial liabilities, measured at amortized cost but disclosed at fair value in Note 14, are estimated based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.- Level 2: Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.- Level 3: Inputs that are not based on observable market data. Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. The fair values of derivative instruments are calculated using quoted rates. The fair value of the interest rate cap, which is a Level 2 instrument, are calculated as the present value of estimated future cash flows discounted at actively quoted interest rates and an applicable yield curve for the duration of the instruments.

Interest and finance costs Interest and finance costs comprise interest expense on debt and the amortization of transaction costs. Transaction costs associated with financial liabilities measured at amortized cost are netted against the carrying amount of the related debt instrument and included in income using the effective interest method over the term of the related debt.

Use of estimates and judgments The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management's knowledge of current events and actions the Company may undertake in the future, actual results may differ from these estimates.

Judgments Information about critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements is discussed below:-

Lease contracts The Company has entered into property leases on its property portfolio. The Company makes judgments in determining whether certain leases, in particular those leases with long contractual terms, are operating or finance leases.

Impact of COVID-19 The preparation of the Company's financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. The global outbreak of COVID-19 has resulted in emergency measures mandated by the World Health Organization, public health authorities and federal and state governments. A prolonged COVID-19 pandemic could have a material impact on the financial results and cash flows of the Company, including tenants' ability to pay rent, occupancy, leasing demand, market rents, labor shortages and disruptions, all of which may impact the Company's valuation of its properties or the ability of the Company to meet its financial obligations.

Estimates Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates that have the most significant impact on the consolidated financial statements include:

Valuation of property The fair value of property is determined by management, and from time to time may be done in conjunction with independent real estate valuation experts using recognized valuation techniques. The determination of the fair value of property requires the use of estimates such as future cash flows from assets (such as tenant profiles, future revenue streams and overall repair and condition of the property), capitalization rates and estimate of per square feet values. These estimates are based on market conditions existing at the reporting date. The Company determines the fair value of its property based upon either the income capitalization or the direct comparison approach, or through a combination of both methods. Each method is a generally accepted valuation methodology for properties in the UK. In certain circumstances the direct comparison approach is used by comparing properties to similar properties that have sold, but adjusting for differences in the nature and location of the properties. Under the income capitalization method, year one net operating income (NOI) is stabilized and a capitalization rate appropriate for the property is applied. The capitalization rate is the most significant assumption in determining fair value. The Company uses, to the extent available and applicable, leasing history, market reports, tenant profiles and precedent transactions, among other evidence, in determining the most appropriate assumptions.

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Notes to the Financial Statements for the Period Ended 31 December 2021

2. Employees

	<i>2021</i>	<i>11 months to 31 December 2020</i>
Average number of employees during the period	0	0

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for the Period Ended 31 December 2021

3. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2021	34,400,000					34,400,000
Additions	73,000					73,000
Disposals						
Revaluations	5,527,000					5,527,000
Transfers						
At 31 December 2021	40,000,000					40,000,000
Depreciation						
At 1 January 2021						
Charge for year						
On disposals						
Other adjustments						
At 31 December 2021						
Net book value						
At 31 December 2021	40,000,000					40,000,000
At 31 December 2020	34,400,000					34,400,000

The property balance at December 31, 2021 consists entirely of Abbey Retail Park.

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for the Period Ended 31 December 2021

4. Fixed assets investments note

Interest rate cap On December 7, 2021, the Partnership adjusted its interest cap to hedge against the risk of future increases in the Sterling Overnight Index Average (SONIA rate) associated with the Partnership's floating rate debt. The previous interest cap was against the London InterBank Offered Rate (LIBOR). The Partnership has an interest cap with a notional amount of £19.8 million, a strike of 1.0% and a maturity date of December 31, 2024. The interest cap, when combined the the Partnership's floating rate debt, limits the maximum all-in interest rate of the debt to 3.25% for the remaining term to maturity of the debt.

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Notes to the Financial Statements for the Period Ended 31 December 2021

5. Debtors

	<i>2021</i>	<i>11 months to 31 December 2020</i>
	<i>£</i>	<i>£</i>
Other debtors	814,000	662,000
Total	814,000	662,000

Accounts receivable consist entirely of an intercompany receivable with Slate Abbey Holdings L.P. There is no allowance for doubtful accounts at December 31, 2021.

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Notes to the Financial Statements

for the Period Ended 31 December 2021

6. Creditors: amounts falling due within one year note

	<i>2021</i>	<i>11 months to 31 December 2020</i>
	<i>£</i>	<i>£</i>
Trade creditors	128,000	52,000
Taxation and social security	365,000	324,000
Accruals and deferred income	260,000	128,000
Other creditors		36,000
Total	<u>753,000</u>	<u>540,000</u>

Accrual and deferred income relates to prepaid rent. Prepaid rent is a result of tenants' quarterly rent payment schedule, which provides for rent to be paid in advance in February, May, August, and November of each year. The ending balance represents prepaid rent for the month of January 2022.

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for the Period Ended 31 December 2021

7. Creditors: amounts falling due after more than one year note

	<i>2021</i>	<i>11 months to 31 December 2020</i>
	<i>£</i>	<i>£</i>
Bank loans and overdrafts	19,518,000	19,427,000
Other creditors	8,225,000	6,785,000
Total	<u>27,743,000</u>	<u>26,212,000</u>

The Company entered into a loan agreement with AIB Group (UK) P.L.C. (AIB) on February 12, 2020, with the Property pledged as security. On February 12, 2020, the Company entered into a shareholder loan of £6,600 thousand with a fixed interest rate of 7.25% per annum with Slate Abbey Holdings L.P, payable quarterly. The maturity date of this loan note is February 12, 2028. On April 16, 2020, the loan was listed with The International Stock Exchange Authority in Jersey, Channel Islands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.