Company Number: 06869709

ADRIATIC LAND 9 (GR1) LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31 March 2022.

INCORPORATION

Adriatic Land 9 (GR1) Limited (the "Company") was incorporated in the United Kingdom under the laws of England and Wales on 3 April 2009.

ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company is the collection of rental income from a portfolio investment properties.

The Directors expect to continue with the Company's principal activity for the coming year.

RESULTS AND DIVIDENDS

The results for the year are shown on page 8. The Directors do not recommend the payment of a dividend for the year (2021: £nil).

GOING CONCERN

As at 31 March 2022, the Directors believe that the Company has adequate resources to continue in operational existence. This conclusion has been reached based on reviews conducted in relation to the future performance and cash flow forecasts for the foreseeable future. Accordingly, the Directors deem the going concern basis to be appropriate in preparing these financial statements.

The Company has received a letter of support from its immediate parent company confirming that the intercompany loan as disclosed in note 6 will not be demanded to the extent that the demand would jeopardise the ability of the Company to meet its liabilities as they fall due.

DIRECTORS

The Directors who held office during the year and up to the date of approval of the financial statements were:

C.S Bidel
C.M Warnes
A.L Jeffery

REGISTERED OFFICE

6th Floor
125 London Wall
London EC2Y 5AS
United Kingdom

COMPANY SECRETARY

The Secretary of the Company during the year and subsequently was Apex Group Secretaries (UK) Limited (formerly Sanne Group Secretaries (UK) Limited).

INDEPENDENT AUDITOR

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm have expressed their willingness to continue in office.

REPORT OF THE DIRECTORS - (CONTINUED)

DIRECTORS' CONFIRMATION

Each of the Directors who is a Director at the time when this report is approved confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and the Company's auditor for that purpose, in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

FINANCIAL RISK MANAGEMENT

The Directors have considered the financial risk factors and mitigations identified and disclosed in note 3 of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial year under the Companies Act 2006. As permitted by that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

International Accounting Standard 1 ("IAS 1") requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

REPORT OF THE DIRECTORS - (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS - (CONTINUED)

The Directors are also responsible for keeping proper accounting records that are sufficient to show and explain its 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.

The Directors confirm they have complied with the above requirements throughout the year and subsequently.

BY ORDER OF THE BOARD

Director: A.L Jeffery
Date: 25 January 2023

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADRIATIC LAND 9 (GR1) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Adriatic Land 9 (GR1) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income.
- the statement of financial position.
- the statement of changes in equity.
- the statement of cash flows; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ADRIATIC LAND 9 (GR1) LIMITED

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.

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 (Ireland) 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 IAASA's website at: http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for. 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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks 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 2006; and

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- 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. These included the Building Safety Act 2022 and the Leasehold Reform Ground Rent Bill.

We discussed among the audit engagement team including relevant internal specialists such as valuations, 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 following areas, and our specific procedures performed to address them are described below:

Revenue Recognition

- We assessed the design and determined the implementation of the key controls over the revenue recognition process, specifically relating to fair value gains or losses on the investment property portfolio. We engaged our valuation and real estate specialists to develop independent estimates of the fair value of each investment property, establishing a range of acceptable values which were then compared to the client's fair values and, using the opening fair value per the prior year signed financial statements, we performed an independent reconciliation to arrive at the fair value movement in the current year.

Fair Value of Investment Properties

- We assessed the design and determined the implementation of the key controls over the valuation of the investment property balance.
- We engaged our valuation and real estate specialists to to develop independent estimates of the fair value of each investment property, establishing a range of acceptable values which were then compared to the client's fair values.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ADRIATIC LAND 9 (GR1) LIMITED

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 report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors' 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 report of the directors'.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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.

Michael Hartwell
Partner
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace, Dublin 2

Date: 1 February 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

(EXPRESSED IN BRITISH POUNDS)

	Notes	1 Apr 2021 to 31 Mar 2022 £'000	1 Apr 2020 to 31 Mar 2021 £'000
INCOME			
Turnover		473	449
Unrealised gain on revaluation of investment properties	4	8,457	3,364
NET INCOME		8,930	3,813
EXPENSES			
Administrative expenses		(104)	(55)
Audit fees		(9)	(10)
TOTAL EXPENSES		(113)	(65)
OPERATING PROFIT		8,817	3,748
FINANCE COSTS			
Interest expense	6	(974)	(945)
TOTAL FINANCE COSTS		(974)	(945)
PROFIT BEFORE TAX		7,843	2,803
Taxation	8	-	-
TOTAL PROFIT FOR THE YEAR		7,843	2,803

(The notes on pages 12 to 26 form part of these audited financial statements)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

(EXPRESSED IN BRITISH POUNDS)

	Notes	31 Mar 2022 £'000	31 Mar 2021 £'000
ASSETS			
Non-current assets			
Investment properties	4	29,048	20,591
Current assets			
Receivables	5	89	95
Cash and cash equivalents		27	23
		116	118
TOTAL ASSETS		29,164	20,709
LIABILITIES AND EQUITY			
Current liabilities			
Payables	6	11,113	10,407
Non-current liabilities			
Loans payable	7	5,688	5,782
TOTAL LIABILITIES		16,801	16,189
Equity			
Share capital	9	-	-
Retained earnings		12,363	4,520
TOTAL EQUITY		12,363	4,520
TOTAL LIABILITIES AND EQUITY		29,164	20,709

The financial statements were approved and authorised for issue by the Board of Directors on 25 January 2023 and were signed on its behalf by:

Director: A.L Jeffery

(The notes on pages 12 to 26 form part of these audited financial statements)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

(EXPRESSED IN BRITISH POUNDS)

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 31 March 2020	-	1,717	1,717
Total profit for the year	-	2,803	2,803
Balance at 31 March 2021	-	4,520	4,520
Total profit for the year	-	7,843	7,843
Balance at 31 March 2022	-	12,363	12,363

(The notes on pages 12 to 26 form part of these audited financial statements)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

(EXPRESSED IN BRITISH POUNDS)

	1 Apr 2021 to 31 Mar 2022 £'000	1 Apr 2020 to 31 Mar 2021 £'000
Cash flows from operating activities		
Profit before tax	7,843	2,803
Adjustments for:		
Interest expense	974	945
Unrealised gain on revaluation of investment properties	(8,457)	(3,364)
Non cash movement on shareholder loan	15	-
Changes in working capital:		
Decrease / (increase) in receivables	6	(26)
(Decrease) / increase in payables	(8)	10
Net cash from operating activities	373	368
Cash flows from financing activities		
Net repayment from borrowings	(87)	(81)
Interest paid	(282)	(520)
Net cash used in financing activities	(369)	(601)
Net increase / (decrease) in cash and cash equivalents	4	(233)
Cash and cash equivalents at the beginning of the year	23	256
Cash and cash equivalents at the end of the year	27	23

(The notes on pages 12 to 26 form part of these audited financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Adriatic Land 9 (GR1) Limited (the "Company") was incorporated in the United Kingdom under the laws of England and Wales on 3 April 2009.

The principal activity of the Company is the collection of rental income from a portfolio investment properties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The Company has prepared these financial statements which comply with International Financial Reporting Standards ("IFRS") in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 together with the comparative period data as at, and for the year ended 31 March 2021, as described in the summary of significant accounting policies.

Going concern

As at 31 March 2022, the Directors believe that the Company has adequate resources to continue in operational existence. This conclusion has been reached based on reviews conducted in relation to the future performance and cash flow forecasts for the foreseeable future. Accordingly, the Directors deem the going concern basis to be appropriate in preparing these financial statements.

The Company has received a letter of support from its immediate parent company confirming that the intercompany loan as disclosed in note 6 will not be demanded to the extent that the demand would jeopardise the ability of the Company to meet its liabilities as they fall due.

The significant accounting policies are set out below.

New Accounting Standards, amendments to existing Accounting Standards and / or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors there are no mandatory New Accounting Requirements applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the Company. Consequently, no other mandatory New Accounting Requirements are listed. The Company has not early adopted any New Accounting Requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Non-mandatory New Accounting Requirements not yet adopted

The following applicable New Accounting Requirements have been issued. However, these New Accounting Requirements are not yet mandatory and have not yet been adopted by the Company. All other non-mandatory New Accounting Requirements are either not yet permitted to be adopted, or would have no material effect on the reported performance, financial position, or disclosures of the Company and consequently have neither been adopted, nor listed.

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Income and cash flow statements

The Company presents its Statement of Profit or Loss and Other Comprehensive Income by nature of expense.

The Company reports cash flows using the indirect method.

The acquisition of investment property is disclosed as cash flows from investing activities because these are not the primary business activities of the Company.

Investment property

Investment property comprises of property that is not occupied by the Company and is held to earn rental income. The Directors have elected to adopt the "fair value model" as defined under IAS 40 Investment Property. Property held under a lease is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent expenditure is charged to an investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the expenditure can be reliably measured. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they are incurred.

Subsequent to initial recognition, investment property is stated at fair value. The investment property held relates to reversionary interests in freehold land and have been valued based upon a discounted cash flow model. Gains or losses arising from changes in the fair values are included in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

Cash and cash equivalents

For the purposes of these financial statements, cash comprises of cash in hand and demand deposits while cash equivalents are short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Given the nature of the receivables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination. The Expected Credit Loss model for measuring impairment loss introduced under IFRS 9 (Financial Instruments) does not have a material impact on the Company's receivables, due to these factors as well as the Company's power as landlord to forfeit the Lessee's lease, where required.

Payables

Payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method. Given the nature of the payables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

Loans payable

Loans payable are recognised initially at fair value net of attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost using the effective interest rate method.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and financial liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial asset and financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Turnover

Turnover represents the value of ground rental income and recoverable expenses from properties, which are receivable for the year and accounted for on an accrual basis. Turnover arises solely within the United Kingdom.

Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

Taxation

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates; its functional currency. As all investments held by the Company and financing received by the Company are in British Pounds ("£"), this is considered to be the functional currency of the Company.

Monetary assets and liabilities are translated into £ at the rate of exchange ruling at the Statement of Financial Position date. Foreign exchange gains or losses resulting from settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised by the Company in the Statement of Profit or Loss and Other Comprehensive Income.

The financial statements of the Company are presented in £.

Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amount of the investment property asset. Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The investment property is valued using a discounted cash flow model. Annual valuations are undertaken by the Directors, and in assessing the periodic valuation, the methodology is to estimate future cash flows discounted to their present value over an estimated useful economic life, using pre-tax discount rates that reflect the current market assessment of the time value of money and the risks specific to the asset. By necessity a valuation requires subjective judgements that, even if logical and appropriate, they may differ from those made by a purchaser, or another party undertaking a valuation. With respect to the methodology adopted judgements and estimates were used primarily in estimating an appropriate discount rate.

The investment property assets held relate to reversionary interests in freehold land. As such, these assets are in substance like financial investments as they generate income in the form of annual ground rents and other ancillary income streams.

The Company's investment properties are stated without adjustment at the value calculated by the discounted cash flow methodology. The Directors are satisfied that this is the best available estimate of the fair value of the Company's investment properties as at 31 March 2022 and 2021.

3. FINANCIAL RISK FACTORS

The Directors carry out the risk management function in respect of financial risks within the Company. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting year. Financial risk comprises of market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Company's financial assets and financial liabilities comprises of cash and cash equivalents, trade and other receivables, trade payables and borrowings that arise directly from its operations and investment properties.

Note that for the purpose of financial risk policies described below, trade and other receivables exclude prepayments while trade and other payables exclude deferred income. The figures disclosed in this section might therefore be different from amounts stated in other parts of the financial statements.

3. FINANCIAL RISK FACTORS - (CONTINUED)

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk through its investment property, as in the event of default by an occupational tenant in the property, the Company would suffer a rental income shortfall. The Directors believe that the Company does not have a concentration of credit risk as the Investment Property portfolio comprises of 1,507 units (2021: 1,507 units) let to different tenants.

Cash and cash equivalents of the Company are held with Coutts & Co Ltd ("Coutts") and Royal Bank of Scotland ("RBS"). The Company is not exposed to any significant credit risk arising from cash held with the counterparties primarily due to their credit ratings or previous experience and relationship with such counterparties. As at the year end, the Fitch's credit ratings for the banks were as follows:

Bank	31 Mar 2022 Rating	31 Mar 2021 Rating
RBS	A	A-
Coutts	Not rated	Not rated

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	31 Mar 2022 £'000	31 Mar 2021 £'000
Trade and other receivables	89	95
Cash and cash equivalents	27	23
	116	118

The fair value of cash and cash equivalents at 31 March 2022 and 2021 approximates the carrying value. Further details regarding trade and other receivables can be found in note 5. Trade and other receivables are fully recoverable.

Trade receivables by the Company provide long term, stable rated income and failure to pay can lead to forfeiture of the tenants' long term lease and a windfall gain to the freeholder. The Company has policies in place to monitor the credit quality of receivables on an ongoing basis.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company's liquidity position is reviewed on a semi-annual basis by the Directors.

3. FINANCIAL RISK FACTORS - (CONTINUED)

b) Liquidity risk - (continued)

The table below summarises the Company's exposure to liquidity risk:

	31 Mar 2022 £'000	31 Mar 2021 £'000
Financial assets - due within one year		
Trade and other receivables	89	95
Cash and cash equivalents	27	23
	116	118
Financial liabilities - due within one year		
Loans due on demand	10,876	10,163
Trade and other payables	45	244
	10,921	10,407

The Company has the benefit of confirmation from its ultimate parent company that the loan payable will not be demanded to the extent that the demand would jeopardise the ability of the Company to meet its other liabilities as they fall due.

c) Foreign exchange risk

The Company has no significant exposure to foreign currency risk as at 31 March 2022 and 2021 as it does not hold any foreign currency denominated assets or have any foreign currency denominated liabilites.

d) Price risk

The Company has no significant price risk as at 31 March 2022 and 2021. It is not exposed to price risk with respect to financial instruments as it does not hold any marketable financial instruments.

e) Interest rate risk

The Company has no significant interest-bearing assets.

The Company entered into a fixed rate loan payable to its ultimate parent company, with interest payable at a rate of 4.7% per annum until 25 March 2020, with stepped increase every five years thereafter until 2030 (as detailed in note 7). The interest rate applicable after 25 March 2020 until 25 March 2025 is 5.25% per annum. The shareholder loan payable to the ultimate parent company bears interest at the rate of 6.5% per annum and is repayable on such dates as agreed between Promenade Finance DAC and the Company (as detailed in note 6). The Company has received confirmation that repayment will not be demanded to the extent that the demand would jeopardise the ability of the Company to meet its liabilities as they fall due. In the event that the Company cannot fully pay shareholder loan interest due, thus the Shareholder Loan Agreement allows for these amounts to be capitalised.

Trade and other receivables and payables are interest-free and have settlement dates within one year.

f) Sensitivity analysis

IFRS 7 requires disclosure of 'sensitivity analysis' for each type of market risk to which the entity is exposed to at the reporting date, showing how profit or loss and equity would have been affected by changing the relevant risk variables that were reasonably possible at that date. See note 4 for sensitivity analysis on investment property.

The Company does not have significant variable exposure to interest rate, price or foreign exchange risk and therefore no sensitivity analysis for these risks has been disclosed.

4. INVESTMENT PROPERTIES

The Company's investment property comprises 1,507 units let out to tenants (2021: 1,507 units) and was valued on 31 March 2022 at £29,047,543 (2021: £20,590,885). The Investment property held comprises a portfolio of reversionary interests in freehold land and have been valued based upon a discounted cash flow model.

Fair value hierarchy

IFRS 13 defines a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- 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.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instrument and does not necessarily correspond to the Company's perceived risk inherent in such financial instrument.

Details of the Company's investment properties and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

31 March 2022	**Level 1**	**Level 2**	**Level 3**
	£'000	**£'000**	**£'000**
Investment properties located in the UK	-	-	29,048

31 March 2021	***Level 1***	***Level 2***	***Level 3***
	£'000	**£'000**	**£'000**
Investment properties located in the UK	-	-	20,591

Reconciliation of level 3 items:	**31 Mar 2022**	**31 Mar 2021**
	£'000	**£'000**
Opening balance	14,934	14,934
Fair value adjustment on revaluation of investment properties	14,114	5,657
Closing balance	29,048	20,591

There were no transfers in or out of level 3 during the financial year.

4. INVESTMENT PROPERTIES - (CONTINUED)

In assessing the asset value as at 31 March 2022, there are two key unobservable inputs, being;

1) discount rates
2) inflation projections

The discount rates are estimated to reflect the current market assessment of the time value of future cash flows and the risks specific to the asset. At 31 March 2022, the discount rates used are unchanged from the prior year.

The inflation projections reflect market priced data and are, therefore, representative of the approach that would be taken by a buyer when assessing asset value. At 31 March 2022, the source inflation data used is consistent with prior years.

At 31 March 2020, the projected rate of inflation was lower than previous years, reflecting the effects of Covid-19 on global economies and the quantitative easing policies taken by governments to mitigate this. This contributed to a sizeable fall in the estimated value of future cash flows and hence to the fair value of the investment properties.

At 31 March 2021, the projected rate of inflation had recovered to pre-Covid-19 levels. As a result, the estimated value of future cash flows increased significantly from the prior year and this increase was reflected in the fair value of the investment properties at the year end.

At 31 March 2022, the projected rate of inflation has markedly increased from the equivalent projections at 31 March 2021, having been driven up by higher energy, food and fuel prices. As a result, the estimated value of future cash flows has, again, increased significantly from the prior year and, given that the discount rate is unchanged, this resulted in substantial increases in the fair value of the investment properties at the year end.

The following sensitivity analysis has been performed by management, with all other things being equal:

An increase in the discount rate of 0.05% would result in a reduction in the portfolio valuation by £535,866 (2021: £355,215).

A decrease in the discount rate of 0.05% would result in an increase in the portfolio valuation by £551,864 (2021: £365,534).

An increase in the RPI Curve of 0.50% would result in an increase of the portfolio valuation by £5,391,391 (2021: £nil).

A decrease in the RPI Curve of 0.50% would result in a reduction of the portfolio valuation by £4,079,907 (2021: £nil).

5. RECEIVABLES

Due within one year	**31 Mar 2022 £'000**	**31 Mar 2021 £'000**
Trade receivables	58	51
Other receivables	31	44
	89	95

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6. PAYABLES

Due within one year	**31 Mar 2022** £'000	**31 Mar 2021** £'000
Amounts due to ultimate parent - shareholder loan	10,782	10,076
Accruals and deferred income	233	242
Amounts due to parent company - senior loan	94	87
Trade payables	4	2
	11,113	10,407

On 30 September 2019, the Company entered into a Shareholder Loan Agreement with Promenade Finance DAC, for an amount up to £9,651,104 or such other amount as may be agreed from time to time, in order to partially refinance the existing facilities and future funding requirements of the Company. Interest is payable semi-annually on 25 March and 25 September at a rate of 6.5% per annum. The loan is repayable on such dates as agreed between Promenade Finance DAC and the Company. The amount outstanding at year end was £10,781,849 (2021: £10,076,104).

In the event that the Company cannot fully pay Shareholder Loan interest due, thus the Shareholder Loan Agreement allows for these amounts to be capitalised. This resulted in an increase of the loan balance of £705,745 (2021: £425,000). Non-cash movements on shareholder loan, due to capitalised invoices amounted to £15,117 (2021: £nil).

On 30 September 2019 the Company entered into a Senior Refinancing Facility Agreement with Promenade Finance DAC as detailed in note 7. The Company makes amortisation repayments semi-annually on the interest payment dates in accordance with an amortisation schedule. Amortisation payments due in the next 12 months amount to £94,271 (2021: £87,489) and the total loan outstanding balance at year end amounted to £5,781,385 (2021: £5,868,874).

Interest expense on both of the above loans amounting to £973,597 (2021: £945,068) has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

7. LOANS PAYABLE

	31 Mar 2022 £'000	**31 Mar 2021** £'000
Amounts due to ultimate parent - senior loan	5,688	5,782

On 30 September 2019 the Company entered into a Senior Refinancing Facility Agreement with Promenade Finance DAC for the sum of £5,988,502 or such higher amount agreed by Promenade Finance DAC from time to time, in order to partially refinance the existing facilities and future funding requirements of the Company. Interest is payable semi-annually on 25 March and 25 September at a rate of 4.7% per annum until 25 March 2020, with stepped increases every five years thereafter until 2030. The interest rate applicable after 25 March 2020 until 25 March 2025 is 5.25% per annum. The Company makes amortisation repayments semi-annually on the Interest Payment Dates in accordance with an Amortisation Schedule. The balance of this loan payable after 12 months amounted to £5,687,114 (2021: £5,782,149) and the outstanding balance at the year end amounted to £5,782,149 (2021: £5,868,874).

8. TAXATION

The Company is a resident company assessed to income tax in the UK on UK rental income. The charge to UK corporation tax on ordinary activities for the year was £nil (2021: £nil).

	1 Apr 2021 to 31 Mar 2022 £'000	1 Apr 2020 to 31 Mar 2021 £'000
Factors affecting the tax charge		
Profit on ordinary activities before tax	7,843	2,803
UK Corporation tax at 19% (2021: 19%)	1,490	533
Effect of:		
Disallowable expenditure	10	15
Non-trade loan relationships	185	180
Non-taxable income	(1,607)	(645)
Utilised losses	(78)	(83)
Current tax charge	-	-

The Company had un-provided losses carried forward of £nil (2021: £nil) available for utilisation against future trading profits. These losses have not been recognised as recoverability is dependent upon sufficient future taxable trading profits against which to offset the loss.

9. SHARE CAPITAL

	31 Mar 2022 £	31 Mar 2021 £
AUTHORISED, ISSUED AND PAID:		
2 ordinary shares of £1 each	2	2

10. RELATED PARTY DISCLOSURES

Apex Group Fiduciary Services (UK) Limited (AGFSUKL), formerly Sanne Fiduciary Services (UK) Limited, provide administrative services to the Company at commercial rates. Administration fees of £38,129 (2021: £37,771) were payable to AGFSUKL in respect of the year ended 31 March 2022, of which £1,020 (2021: £1,470) were outstanding at the year end.

C.M Warnes, C.S Bidel are Directors of the Company and C.M Warnes, C.S Bidel and A.L Jeffery are employees of AGFSUKL. C.M Warnes and C.S Bidel are also Directors of companies in the same corporate group as AGFSUKL and, during the year ended 31 March 2022, held financial interest in Sanne Group PLC, which was the ultimate beneficial owner of AGFSUKL up until 4 August 2022, when it was announced that Apex Group Ltd had acquired 100% of the share capital Sanne Group PLC. Sanne Group PLC was subsequently renamed Sanne Group Limited, and later renamed Apex Group Jersey Limited.

There were no fees due to the Directors during the prior or current years.

Other related party transactions are detailed in notes 6 and 7.

11. DEFERRED TAXATION

Management has determined that there were no deferred tax assets or liabilities as at 31 March 2022 (2021: £nil).

12. CONTROLLING PARTY

The Company's immediate parent company is Adriatic Land 9 Limited. The ultimate controlling party is Promenade Finance DAC, which is incorporated in Ireland. The Company's results have been consolidated into the consolidated financial statements of Promenade Finance DAC and copies of these are available at Fourth Floor, 76 Lower Baggot Street, Dublin 2, Ireland.

13. CONTINGENCIES AND COMMITMENTS

Combustible Materials in External Wall Systems (EWS) and Building Safety

As a continuation of the work started in previous years, the Company has continued to follow the Government's issued guidance on EWS and building safety generally, as an owner of private residential property. Significant changes to government intervention, legislation and regulations around building safety impacting residential building owners were announced in January and February 2022, the most significant of which came into force in June 2022. The Company is working with the Property Manager to assess and prepare for the impact of those changes and take necessary actions to protect the underlying property assets.

Building on the work started in previous years, the Property Manager, has focused on identifying and assessing buildings classed as "high-rise" (18M+ in height), as well as buildings classed as "mid-rise" (11 – 18M in height) with EWS materials categorised as unsafe, as well as other underlying safety defects related to the risk of fire spread. The identification of mid-rise buildings was driven by the government's announcement in January 2022 that the Private Sector ACM Cladding and Building Safety ("BSF") Remediation Funds would be extended to mid-rise buildings, and that new amendments to building safety legislation announced in February 2022 would impact 11M+ buildings in England. Further, announcements by the Welsh Government in 2021/early 2022 made clear that building safety reforms in Wales would be focussed on 11M+ buildings.

High-rise buildings with combustible EWS materials, and waking watch mitigation costs

For all BSF eligible buildings across the Company's portfolio for which the Company is the Responsible Entity to apply for public funding and remediate EWS the Property Manager has continued to work closely with directly appointed managing agents and appointed expert surveyors and other professional consultants engaged to progress BSF applications and scope remedial works projects. External legal advisers originally retained in 2020 remain instructed to act for the Company, both in negotiating the terms of a formal BSF Funding Agreement, and also to advise on and produce Deeds of Appointment and Contracts for the professional consultants and selected building contractors. Separately, through engagement with third party Residential Management Companies ("RMCs") and other entities the Property Manager has continued to monitor details of other buildings registered for the BSF, and the progress of third parties in progressing those applications.

In addition, the Property Manager and the directly appointed managing agents have also applied for funding for eligible buildings to the £30M Waking Watch Relief Fund unveiled in December 2020, in order to pay for the installation of fire alarms to replace teams of fire marshals (waking watch), in order to mitigate the cost of interim safety measures. In January 2022, a £27M extension of this funding, termed the "Waking Watch Replacement Fund" was announced, benefitting all buildings with waking watch, not just high-rise buildings. Where buildings have been identified as eligible for the extended funding, applications for funding have been made through the directly appointed managing agents.

13. CONTINGENCIES AND COMMITMENTS

Combustible Materials in External Wall Systems (EWS) and Building Safety - (continued)

High-rise buildings with combustible EWS materials, and waking watch mitigation costs - (continued)

Remediation projects on a small number of high-rise buildings affected by ACM materials in the EWS, funded under the Private Sector ACM Cladding Fund commenced at the end of 2020, and a Grant Funding Agreement ("GFA") was signed for each such project. Progress by the appointed professional team on these projects has been monitored by the Property Manager to ensure all obligations under the GFA have been met.

The Property Manager, as part of a collective group of investor freeholders and major managing agents, spearheaded by the Association of Residential Managing Agents ("ARMA") continued work to negotiate changes to the BSF Funding Agreements (GFAs) produced by MHCLG (subsequently re-named the Department for Levelling Up (DLUHC), in order to protect the Company from onerous obligations and the risk of liabilities attached to remediation projects. Although a final BSF GFA template was agreed in January 2022, with this expected to allow a number of remediation projects to commence and funding to be released, the government announced significant amendments to the Building Safety Bill on 14th February 2022 that would, if passed into law, render a number of terms of the newly agreed GFA impossible for the company to comply with.

The Building Safety Bill, including the majority of the amendments announced in February 2022, was passed and received Royal Assent on 28th April 2022, coming into force on 28th June 2022. Since the amendments were first announced, and to the date of these notes, fresh negotiations with DLUHC to agreed waivers from the affected terms of the BSF GFA have continued.

On all remediation projects for buildings eligible for BSF funding, the Property Manager has worked with external legal advisers and the appointed professional teams to continue preparation for commencement of works as far as possible pending access to funding being secured by an agreed form GFA.

The Property Manager has continued to work with the all directly appointed managing agents to (a) ensure that overall EWS remediation costs are protected for service charge recovery purposes (without enforcing payment so far) to guard against shortfalls or BSF funding delays, whilst protecting the Company's reputation; (b) take protective legal measures through external solicitors approved by the Property Manager to both preserve service charge recoverability and pursue any third parties who may be responsible for EWS and other construction defects identified on any building. Exploring such third-party claims is a condition of access to BSF funding for eligible buildings.

Both the service charge recovery of remediation project costs/mitigating measures and the options for remediation and funding for buildings affected by combustible EWS materials and other safety defects will be considerably impacted by the passing of the Building Safety Act and an agreement announced between government and a number of developers in April 2022.

Impact of the Building Safety Act 2022 and the Developers Pledge

In January 2022 the government published new technical guidance for the safety assessment of EWS based on a new British Standard (PAS 9980). This replaced the previous Consolidated Advice Note guidance for EWS assessments. It also announced it would be pursuing developers and manufacturers responsible for combustible EWS materials and other safety defects found in buildings.

13. CONTINGENCIES AND COMMITMENTS - (CONTINUED)

Impact of the Building Safety Act 2022 and the Developers Pledge - (continued)

Amendments to the Building Safety Bill published in February 2022 included barring or limiting the recovery of costs from service charge for remediation of combustible EWS, other defects enabling the spread of fire within buildings (such as missing fire stopping internally) and some structural safety defects. This would apply to all buildings above 11M in height. The amendments also included an extension of limitation periods for certain types of claims relating to defective construction up to 30 years.

The Company is working with the Property Manager to assess the potential impact of the Act on the in-scope buildings in its portfolio, given that in some cases, where defects in the categories outlined above exist or are found, there is a risk that some liability for the costs of remediation will fall to the Company. There is also an increased risk to the Company of suffering irrecoverable legal and professional costs even if it has a valid claim or remedy against a third party as a consequence of provisions in the Act.

In April 2022, the government announced a pledge had been signed by a number of major developers, giving a commitment to remediate "life critical fire-safety issues" in buildings they had built within the last 30 years, and which were over 11M in height. The need for, and extent of remediation would be linked to the PAS 9980 assessment standard. This would significantly impact the buildings with EWS and other fire safety issues identified in the Company's portfolio. However as at the date of these notes, no binding agreement detailing the process to remediate buildings subject to the Pledge has been entered into between the government and the developer signatories.

The Company is working closely with the Property Manager and external legal advisers to assess the impact of and the various gaps between the different remediation obligations and standards, and the resulting impact on the Company. For BSF eligible high-rise buildings in the Company's portfolio where the original developer signed the Developer's Pledge, the government has now blocked access to the BSF funding pending the developer agreeing a process to remediate.

Ongoing Asset Protection work by the Property Manager

The Property Manager is continuing to assess and review necessary additional resource and procedural changes that may be required to address the constantly changing fire and building safety regulatory regime and government intervention, as well as enhance its monitoring and oversight of the managed portfolio generally. It has appointed a Head of Asset Protection, and brought estates management and building safety functions into a single multi-disciplinary team. Ongoing work includes industry engagement and consultation across a number of professional and representative bodies to share learning and best practice.

The Property Manager has also commissioned and is in the process of implementing an IT software compliance package for the more efficient monitoring and reporting of fire, health and safety risks across the Company's portfolio. The functionality of this software is also designed to meet the Company's record keeping and other obligations as a landlord of multi-occupancy residential buildings under the Building Safety Act 2022.

As of 31 March 2022, the Building Safety Act 2022 was still undergoing amendment and did not receive Royal Assent until 28 April 2022. The Company has not recognised a provision for potential costs associated with the Act in the current year as per IAS 37, when there is a change in legislation, a present obligation only exists once it is virtually certain that the law will be enacted as drafted. In this case, that is on receipt of Royal Assent after the financial year-end.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13. CONTINGENCIES AND COMMITMENTS - (CONTINUED)

Combustible Materials in External Wall Systems (EWS) and Building Safety - (continued)

Leasehold Reform

During the relevant period work streams surrounding Leasehold Reform appeared to be limited in favour of the significant building safety reforms and initiatives covered above.

Ground Rent

The Leasehold Reform (Ground Rent) Act was passed by Parliament and received Royal Assent on 8th February 2022. The principal reforms including limiting ground rent in any new lease to a peppercorn came into force on 30th June 2022. The Company, through the Property Manager, commissioned advice from external solicitors to assess the impact of the reforms on the management of the Company's portfolio by the Property Manager potentially impacted by the reforms, limited primarily to transactions involving existing leases that could be deemed to create a new lease. Otherwise, there is little impact on existing leases or ground rent payable. The Directors will continue to monitor any implications of the Act and the potential impact on the Company.

Enfranchisement and Commonhold

On 11th January 2022 the Government published a consultation "Reforming the leasehold and commonhold systems in England and Wales" to which the Company, via the Property Manager, responded.

The Company has continued to monitor announcements by government and work with a number of industry stakeholders to engage with government and have an input on ongoing debate around reform in these areas.

The Company will continue to assess the impact of these proposed reforms, with particular attention paid to changes in valuation methodology for enfranchisement affecting underlying value, and on converting leasehold to commonhold. At this time the Company cannot comment on likely impact due to absence of detailed policy.

14. MARKET CONSIDERATIONS

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and economic sanctions have recently been imposed on Russia (and in certain cases Belarus).

The Directors have reviewed and assessed that there is no adverse impact to the Company due to the lack of exposure to Russia or Belarus but will maintain vigilance whilst sanctions remain in place and as any new sanctions are made.

15. SUBSEQUENT EVENTS

Building Safety Act 2022

As a continuation of the work started in previous years, the Company has continued to follow the Government's issued guidance on building safety, as an owner of private residential property. Significant changes to government intervention, legislation and regulations around building safety impacting residential building owners were announced in January and February 2022, were passed and received Royal Assent on 28 April 2022, the most significant of which came into force in June 2022. The Company is working with the Property Manager to assess and prepare for the impact of those changes and take necessary actions to protect the underlying property.

Refer to Note 13 for Management's disclosure in relation to the Building Safety Act 2022.

There were no other subsequent events that require adjustments to or disclosures in the financial statements.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 25 January 2023.