

**Chariot Lux Bidco S.à r.l.**  
**Consolidated financial statements**  
**as at 30 June 2021**  
**and for the year then ended**



26, Boulevard Royal, 2449, Luxembourg  
RCS number: B210296  
Share capital: GBP 15,000

**Chariot Lux Bidco S.à r.l.**

**Consolidated financial statements**

As at and for the year ended 30 June 2021

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To the Board of Managers of  
Chariot Lux Bidco S.à r.l.  
26, Boulevard Royal  
L-2449 Luxembourg

## REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Chariot Lux Bidco S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the management report but does not include our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

## Responsibilities of the Board of Managers for the Consolidated Financial Statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group’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 Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers .
- Conclude on the appropriateness of Board of Managers ' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*

PP

  
Andreas Meier

Andreas Meier, *Réviseur d'entreprises agréé*  
Partner

Luxembourg, December 23, 2021

**Chariot Lux Bidco S.à r.l.**  
**Manager's report**  
**For the year ended 30 June 2021**

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The Managers present their annual report and the audited financial statements for the year ended 30 June 2021.

The manager's in office during the financial year were:

Taavi Davies  
Claude Noesen  
Sophie Mellinger  
Damaris Kringe-Plossnig

**Principal Activities**

The principal activity of Chariot Lux Bidco S.à r.l. (the Company) is to hold participations in Luxembourg and foreign jurisdictions and to grant assistance by way of loans, advances, guarantees or securities or otherwise to the companies in which it holds interest or which form part of the Group to which the Company belongs. The principal activity of the Group is property ownership and management with the aim of deriving profits through the continued use or through an orderly sale of the investment properties

**Corporate governance statement**

The managers have been charged with governance in accordance with the transactional documentation detailing the mechanism and structure of the transaction. The structure of the Group is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documentation provides for procedures that have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling the managers to comply with the regulatory obligations.

**Going Concern**

The economic activity across the Globe was slowed down due to the worldwide outbreak of the Coronavirus Covid-19, which was declared as a pandemic by the World Health Organization on 11 March 2020. The Government of United Kingdom announced a number of measures including lockdown of all non – essential retail sector which directly impacted the business the Group's major tenant NCP.

NCP paid full rent for the period July 2020 to September 2020 on monthly basis and rent for the period October 2020 to December 2020 was paid at the end of September 2020. NCP had support from it's Parent company to make this payment. All car parks were operational as normal but had impact of 2nd lockdown and NCP were trading at 50% of their capacity.

From 2nd December 2020, full national lockdown was declared and a 3tier system was in place. Trading for NCP car parks improved as non-essential retail shops, pubs, restaurants, gym and cinemas were open with restrictions based on Tier 1, 2 and 3 rules. However, a full national lockdown was declared again in last week of December 2020, just before Christmas and was lifted in stages from March 2021.

NCP did not pay any rent for the quarter January 2021 to March 2021 and for the quarter April 2021 to June 2021, and the respective trade receivables for this period have been written off. NCP has started paying rent from July 2021 onwards on monthly basis, following discussions for Re-Gear deal since April 2021 and entering into a framework deed signed with NCP on 8th October 2021. This has resulted in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29 June 2021. The new rent amounts to an annual amount of GBP 17,715,850 reflecting an annual decrease of rent in the amount of GBP 3,063,812.

The Group has assessed that the non-receipt of rent payments by NCP did not have a significant impact on the business of the Group as it was able to get consent on a Waiver Agreement for IPDs and the respective covenants from July 2020 to October 2021, as disclosed in note 17 below.

The Group expects that NCP will be able to make all future payments on time with the support of its parent company and therefore, there would not be any concern on the Group's going concern.

### **Results and Dividends**

These financial statements reflect the performance of the Group for the financial year ended 30 June 2021, during which the Group has recorded a loss before tax of GBP 74,693,711 (2020: Loss GBP 8,734,907). The results for the Company are set out in the financial statements on page 7.

The managers propose and paid dividend for the year was GBP 11,283,371 (2020: GBP 41,629,959).

As at the reporting date, the Group is in net current liability position of GBP 78,727,745 (2020: GBP 72,515,442), which is due to the interest free loan payable to the shareholder on demand amounting to GBP 81,135,883 (2020: GBP 77,185,139) (note 17). The shareholder has confirmed that no repayments will be demanded for the 18 months following the period end, except in circumstances where the investment is sold and the Borrower's liquidity improves, which leaves the Group in a net current asset position of GBP 2,408,138 (2020: GBP 4,669,697). The Group also has a negative equity position of GBP 14,728,610 in the current year, however the external valuation performed by Cushman & Wakefield after year end indicates a fair value gain of GBP 32,590,000 which would cover the negative equity. As a result, the Group will be in a position to meet all its obligations as they fall due, accordingly these consolidated financial statements have been prepared on going concern basis.

### **Employees**

In the financial year under review, the Company employed no staff (2020: Nil).

### **Significant events subsequent of year-end**

Chariot entered into discussions for Re-Gear deal with NCP since April 2021 and managed to enter into a framework deed. The deal was signed on 8 October 2021, resulting in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29 June 2021. The new rent amounts to an annual amount of GBP 17,715,850 reflecting an annual decrease of rent in the amount of GBP 3,063,812.

The June 2021 external valuation prepared by Cushman & Wakefield, was done based on exiting terms prevailing at that time resulting into total valuation of GBP 276,430,000. This valuation does not take into account the new terms agreed in framework deal. Therefore, a valuation has been carried out again dated September 2021 to reflect these changes to the lease terms, showing a fair value of GBP 309,020,000.

Management believes that there will be not be a significant impact of future waves of Covid-19 on the Group's financial position and financial performance. However, it will continue to monitor the situation on a regular basis and any potential impact on financial performance will be considered in the financial statements of the next year.

There are no other significant events after the reporting date that require disclosure in or adjustments to these consolidated financial statements

### **Entities included in the scope of consolidation as at 30 June 2021.**

These consolidated financial statements include the financial statements of the Company as shown on page 20. During the year no entities were liquidated.

### **Equity movement**

During the year, the company did not issue any shares.

**Chariot Lux Bidco S.à r.l.**  
**Manager's report (continued)**  
**For the for the year ended 30 June 2021**

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**Use of financial instruments or loans**

On 2 October 2018, the Group entered a pay fixed and receive floating interest rate swap arrangement with the HSBC in order to mitigate the risk of the variable rate borrowing disclosed in note 17. The Group discharged its obligation by prepaying the fixed leg of the swap transaction on the date of transaction amounting to GBP 1,765,000 whilst reserving a right to receive the floating rate.

The termination date of the swap is 1 October 2023.

The derivative is carried at fair value which is received from the external valuers (Chatham Financial Europe Ltd.). The notional amount of derivative is GBP 206,955,000 and the fair value as at 30 June 2021 amounts to GBP 74,783 (2020: GBP 117,240).

**Statement as to disclosure of information to auditors**

The managers who held office at the date of approval of this manager's report confirm that;

- So far each of the directors is aware, there is no relevant audit information of which the Group's auditors are unaware of; and
- Each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The Manager's Report was approved on behalf of the Board of Managers by:

.....  
Manager

Date: .....



Chariot Lux Bidco S.à r.l.  
Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2021

		From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
	Note		
<b>Continuing operations:</b>			
Gross rental and related income	5	25,564,880	30,685,281
Total direct property operating income/(expenses)	6	199,743	(3,252,780)
<b>Net rental and related income</b>		<b>25,764,623</b>	<b>27,432,501</b>
Net loss from fair value adjustment on investment properties	11	(75,584,165)	(21,033,454)
Change in fair value of derivative financial instrument at fair value through profit or loss	12	(42,456)	(268,795)
Loss on liquidation of a subsidiary	3.3	-	-
Other income	7	245,464	790,309
Other administrative expenses	8	(16,184,848)	(4,596,950)
<b>Net other income and expense</b>		<b>(91,566,005)</b>	<b>(25,108,890)</b>
Net financing expenses	9	(8,437,105)	(11,058,518)
<b>(Loss) profit before taxation</b>		<b>(74,238,487)</b>	<b>(8,734,907)</b>
Current tax	10	(78,597)	(1,127,882)
Deferred tax	10	(376,627)	3,242,050
<b>(Loss) profit for the year</b>		<b>(74,693,711)</b>	<b>(6,620,739)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) income for the year attributable to owners of the Company</b>		<b>(74,693,711)</b>	<b>(6,620,739)</b>

The accompanying notes form an integral part of these consolidated financial statements.

Chariot Lux Bidco S.à r.l.  
Consolidated Statement of Financial Position  
As at 30 June 2021

	Note	2021 GBP	2020 GBP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	11	300,505,542	389,630,005
Derivative financial instrument at fair value through profit or loss	12	74,783	117,240
Long term deposit		156,000	156,000
Deferred tax asset	13	3,325,401	6,214,439
<b>Total non-current assets</b>		<b>304,061,726</b>	<b>396,117,684</b>
<b>Current assets</b>			
Trade receivables	14	-	2,124,878
Prepayments and other receivables	15	5,458,073	2,626,239
Cash and cash equivalents	16	2,714,715	10,805,438
		8,172,788	15,556,555
Assets classified as held for sale		-	-
<b>Total current assets</b>		<b>8,172,788</b>	<b>15,556,555</b>
<b>TOTAL ASSETS</b>		<b>312,234,514</b>	<b>411,674,239</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	17	214,353,363	223,997,669
Obligations under finance leases	18	22,625,551	22,760,013
Deferred tax liability	19	3,083,677	5,596,088
<b>Total non-current liabilities</b>		<b>240,062,591</b>	<b>252,353,770</b>
<b>Current liabilities</b>			
Borrowings	17	82,079,432	77,281,011
Obligations under finance leases	18	1,449,991	1,449,991
Trade and other payables	20	3,072,669	8,226,060
Current tax liabilities	10	298,441	1,114,935
		86,900,533	88,071,997
Liabilities associated with assets classified as held for sale		-	-
<b>Total current liabilities</b>		<b>86,900,533</b>	<b>88,071,997</b>
<b>TOTAL LIABILITIES</b>		<b>326,963,124</b>	<b>340,425,767</b>
<b>NET ASSETS</b>		<b>(14,728,610)</b>	<b>71,248,472</b>
<b>Equity</b>			
Share capital	21	15,000	15,000
Other equity	22	3,530,197	3,528,697
Retained earnings		(18,273,807)	67,704,775
<b>TOTAL EQUITY</b>		<b>(14,728,610)</b>	<b>71,248,472</b>

The accompanying notes form an integral part of these consolidated financial statements.

Chariot Lux Bidco S.à r.l.  
Consolidated Statement of Changes in Equity  
For the year ended 30 June 2021

	Note	Share capital GBP	Other equity GBP	Retained earnings GBP	Total equity GBP
Balance as at 1 July 2019		15,000	3,527,197	115,956,973	119,499,170
Interim dividend paid	22	-	-	(41,629,959)	(41,629,959)
Loss for the year		-	-	(6,620,739)	(6,620,739)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(6,620,739)	(6,620,739)
Allocation to legal reserve		-	1,500	(1,500)	-
Capital contribution		-	-	-	-
<b>Balance as at 30 June 2020</b>		<b>15,000</b>	<b>3,528,697</b>	<b>67,704,775</b>	<b>71,248,472</b>
Interim dividend paid	22	-	-	(11,283,371)	(11,283,371)
Loss for the year		-	-	(74,693,711)	(74,693,711)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(74,693,711)	(74,693,711)
Allocation to legal reserve		-	1,500	(1,500)	-
Capital contribution		-	-	-	-
<b>Balance as at 30 June 2021</b>		<b>15,000</b>	<b>3,530,197</b>	<b>(18,273,807)</b>	<b>(14,728,610)</b>

The accompanying notes form an integral part of these consolidated financial statements.

Chariot Lux Bidco S.à r.l.  
Consolidated Statement of Cash Flows  
For the year ended 30 June 2021

	Note	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
<b>Cash flows from operating activities</b>			
(Loss) profit before taxation		(74,238,487)	(8,734,907)
Adjustments:			
Net loss from fair value adjustment on investment properties	11	75,449,702	22,341,145
Rental income on account of straight lining of rent	11	(1,899,702)	(2,731,145)
Gain on disposal of investment properties	7	(241,838)	(781,039)
Change in fair value of derivative financial instrument at fair value through profit or loss	12	42,456	268,795
Increase in deferred tax liability on liquidation	10	-	106,829
Net financing expenses	9	7,206,596	11,014,018
Loan issuance amortisation	23	1,098,444	-
<i>Cash generated from operations before working capital changes</i>		7,417,171	21,483,697
Working capital changes:			
(Increase) / decrease in trade receivables		2,124,878	(2,106,512)
(Increase) / decrease in prepayments and other receivables	15	(2,831,833)	(601,940)
Decrease in trade and other payables	20	(5,153,391)	(977,115)
<i>Cash generated from operations</i>		1,556,825	17,798,130
Taxes paid		(895,090)	(1,007,778)
<b>Net cash flows from operating activities</b>		<b>(661,735)</b>	<b>16,790,352</b>
<b>Cash flows from investing activities</b>			
Sale proceeds from disposal of investment properties, net of costs to sell	7,11	15,681,838	43,771,039
Sale proceeds from disposal of assets held for sale	7	-	21,810,000
<b>Net cash flows from investing activities</b>		<b>15,681,838</b>	<b>65,581,039</b>
<b>Cash flows from financing activities</b>			
Shareholder loan received/(repaid)	23	3,950,744	(181,450)
Third party borrowings repaid	23	(9,639,000)	(55,514,250)
Finance cost paid on borrowings	23	(6,067,166)	(8,440,777)
Repayment of obligations under finance lease	23	(1,395,506)	(1,884,050)
Interim dividend paid	22	(11,283,371)	(41,629,959)
<b>Net cash flows used in financing activities</b>		<b>(24,434,297)</b>	<b>(107,650,486)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(8,090,723)</b>	<b>(25,279,095)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>10,805,438</b>	<b>36,084,533</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,714,715</b>	<b>10,805,438</b>

The accompanying notes form an integral part of these consolidated financial statements.

Chariot Lux Bidco S.à r.l.  
Notes to the Consolidated Financial Statements  
For the year ended 30 June 2021

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## **1. General information**

Chariot Lux Bidco S.à r.l. (the "Company") was incorporated on 4 November 2016 under the laws of Grand Duchy of Luxembourg as a private limited liability company ("société à responsabilité limitée") for an unlimited period with its registered office located at 26, Boulevard Royal, 2449, Luxembourg. The Company holds investments in various subsidiaries as disclosed in note 3.3, together known as the Group. The direct parent of the Company is Chariot Lux Holdco S.à r.l. (the "shareholder"), a company incorporated in Grand Duchy of Luxembourg. The ultimate controlling party of the Group is Beaumont Summit Finance DAC, incorporated in Ireland.

The principal activity of the Company is to hold participations in Luxembourg and foreign jurisdictions and to grant assistance by way of loans, advances, guarantees or securities or otherwise to the companies in which it holds interest or which form part of the Group to which the Company belongs.

The principal activity of the Group is property ownership and management with the aim of deriving profits through the continued use or through an orderly sale of the investment properties.

These consolidated financial statements are non-statutory financial statements of the Company. The Company's financial year starts on 1 July and ends on 30 June of each year.

These consolidated financial statements were approved for issue by the Board of Managers on 23 December 2021.

## **2. Application of new and revised International Financial Reporting Standards (IFRSs)**

### **2.1 Amendments to IFRS adopted during the year**

During the current year, the Group has adopted certain amendments to the IFRSs in issue, which are mandatorily effective for the periods beginning on or after 1 January 2020.

#### **Impact of the initial application of Interest Rate Benchmark Reform**

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Both the Phase 1 and Phase 2 amendments are relevant to the Group because it applies hedge accounting to its interest rate benchmark exposures, and in the current period modifications in response to the reform have been made to some (but not all) of the Group's derivative and non-derivative financial instruments that mature post 2021 (the date by which the reform is expected to be implemented). Details of the derivative and non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Group to manage the risks relating to the reform and the accounting impact, including the impact on hedge accounting relationships, appear in Note 62.

## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.1 Amendments to IFRS adopted during the year (continued)**

The amendments are relevant for the following types of hedging relationships and financial instruments of the Group, all of which extend beyond 2021:

- Fair value hedges where LIBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the GBP LIBOR risk component
- Cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked bank borrowings
- Bills or exchange and lease liabilities which reference LIBORs and are subject to the interest rate benchmark Reform.

The application of the amendments affects the Group's accounting in the following ways:

- The Group has issued GBP-denominated fixed rate debt that is subject to a fair value hedge using GBP fixed to GBP LIBOR interest rate swaps. The amendments permit continuation of hedge accounting even if in the future the hedged benchmark interest rate, GBP LIBOR, may no longer be separately identifiable and there is uncertainty about the replacement of the floating interest rates included in the interest rate swaps. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measurable. If the risk component is no longer reliably measurable, the hedging relationship will be discontinued.

As a result of the Phase 2 amendments:

- When the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other changes. See note 17 for further details regarding changes made to the LIBOR-linked bank borrowings
- When a lease is modified as a direct consequence of the interest rate benchmark reform and the new basis for determining the lease payments is economically equivalent to the previous basis, the Group remeasures the lease liability to reflect the revised lease payments discounted using a revised discount rate that reflects the change in the basis for determining the contractual cash flows
- When changes are made to the hedging instruments, hedged item and hedged risk as a result of the interest rate benchmark reform, the Group updates the hedge documentation without discontinuing the hedging relationship and, in the case of a cash flow hedge, the amount accumulated in the cash flow hedge reserve is deemed to be based on SONIA
- For the Group's fair value hedges of a non-contractually specified benchmark component of interest rate risk, on transition to the alternative benchmark rate, if that risk rate is not separately identifiable at the date of designation, it will be deemed to have met the separately identifiable requirement at that date, if the Group reasonably expects the term specific interest rate component will be separately identifiable within a period of 24 months from the date the alternative benchmark rate is first designated, regardless of the term for which the risk is designated in that hedge. The 24-month period applies on a rate-by-rate basis.

### **Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16**

In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

## 2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

### 2.1 Amendments to IFRS adopted during the year (continued)

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease

### 2.2 New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and have not yet been adopted by the EU:

IFRS 17 (including the June 2020 amendments to IFRS 17)	<i>Insurance Contracts</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment—Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts—Cost of Fulfilling a Contract</i>
Annual improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.2 New and revised standards in issue but not yet effective**

The Board of Managers do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

#### **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

#### **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The managers of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.



## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.2 New and revised standards in issue but not yet effective (continued)**

#### **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

#### **Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

#### **Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.2 New and revised standards in issue but not yet effective (continued)**

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

#### **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Annual Improvements include amendments to four Standards:

#### **IFRS 1 First-time Adoption of International Financial Reporting Standards**

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

#### **Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases**

#### **IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

#### **IFRS 16 Leases**

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.2 New and revised standards in issue but not yet effective (continued)**

#### **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

#### **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

## **2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **2.2 New and revised standards in issue but not yet effective (continued)**

#### **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date the amendments are effective.

## **3. Significant accounting policies**

### **3.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

### **3.2 Basis of preparation**

These consolidated financial statements have been prepared on the historical cost basis, except for certain investment properties and derivative financial instruments as disclosed in notes 11 and 12 that are measured at fair values at the end of each reporting period.

As at the reporting date, the Group is in net current liability position of GBP 78,727,745 (2020: GBP 72,515,442), which is due to the interest free loan payable to the shareholder on demand amounting to GBP 81,135,883 (2020: GBP 77,185,139) (note 17). The shareholder has confirmed that no repayments will be demanded for the 18 months following the period end, except in circumstances where the investment is sold and the Borrower's liquidity improves, which leaves the Group in a net current asset position of GBP 2,408,138 (2020: GBP 4,669,697). The Group also has a negative equity position of GBP 14,728,610 in the current year, however the external valuation performed by Cushman & Wakefield after year end indicates a fair value gain of GBP 32,590,000 which would cover the negative equity. As a result, the Group will be in a position to meet all its obligations as they fall due, accordingly these consolidated financial statements have been prepared on going concern basis.

### 3. Significant accounting policies (continued)

#### 3.2 Basis of preparation (continued)

The economic activity across the Globe was slowed down due to the worldwide outbreak of the Coronavirus Covid-19, which was declared as a pandemic by the World Health Organization on 11 March 2020. The Government of United Kingdom announced a number of measures including lockdown of all non – essential retail sector which directly impacted the business the Group's major tenant NCP.

NCP paid full rent for the period July 2020 to September 2020 on monthly basis and Rent for the period October 2020 to December 2020 was paid at the end of September 2020. NCP had support from Parent company to make this payment. All car parks were operational as normal but had impact of 2nd lockdown and NCP were trading at 50% of their capacity.

From 2nd December 2020, full national lockdown was declared and a 3tier system was in place. Trading for NCP car parks improved as non-essential retail shops, pubs, restaurants, gym and cinemas were open with restrictions based on Tier 1, 2 and 3 rules. However, a full national lockdown was declared again in last week of December 2020, just before Christmas and was lifted in stages from March 2021.

NCP did not pay any rent for the quarter January 2021 to March 2021 and for the quarter April 2021 to June 2021, and the respective trade receivables for this period have been written off. NCP has started paying rent from July 2021 onwards on monthly basis, following discussions for Re-Gear deal since April 2021 and entering into a framework deed signed with NCP on 8th October 2021. This has resulted in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29/06/2021. The new rent amounts to an annual amount of GBP 17,715,850 reflecting an annual decrease of rent in the amount of GBP 3,063,812.

The Group has assessed that the non-receipt of rent payments by NCP did not have a significant impact on the business of the Group as it was able to get consent on a Waiver Agreement for IPDs and the respective covenants from July 2020 to October 2021, as disclosed in note 17 below.

The Group expects that NCP will be able to make all future payments on time with the support of its parent company and therefore, there would not be any concern on the Group's going concern. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Group 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 and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, 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.

### 3. Significant accounting policies (continued)

#### 3.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of the elements mentioned above.

The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases.

Accounting practices of subsidiaries which differ from the Company are adjusted on consolidation.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Unrealised losses on transactions between Group companies are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The management has assessed that the Company is not an investment entity under IFRS 10, and therefore the Company will continue to prepare the consolidated financial statements for the Group.

These consolidated financial statements include the financial statements of the Company and the following subsidiaries as of 30 June 2021:

Subsidiary	Country of incorporation	Ownership	% of ownership
Chariot Lux Capital S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 1 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 2 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 3 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 4 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 5 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 6 S.à r.l.	Luxembourg	Company	100%
Chariot Investment Holdings 7 S.à r.l.	Luxembourg	Company	100%
CP Co Midco Limited*	United Kingdom	Company	100%
CP Co Borrower Limited	United Kingdom	Company	100%
CP Co 1 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 2 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 3 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 4 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 6 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 7 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 8 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 9 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 13 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 19 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 23 Limited	United Kingdom	CP Co Borrower Limited	100%
CP Co 34 Limited	United Kingdom	CP Co Borrower Limited	100%

\*CP Co Midco Limited is dormant as of 31 March 2017.

During the financial year ended 30 June 2021, no entity has been liquidated.

The subsidiaries listed above are exempt from the requirements relating to audit of their separate financial statements in the United Kingdom by virtue of Section 479A of the Companies Act 2006 of the law of the United Kingdom, where the subsidiaries are registered.

### **3.4 Investment property**

Investment properties are initially recognised at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value.

Properties are externally valued on the basis of fair value at the Consolidated Statement of Financial Position date. Investment properties are recorded at market value. Any surplus or deficit arising on revaluing investment properties is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no economic benefits are expected from disposal. Disposals are recognised on completion. Profits and losses arising are recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions in the period.

### **3.5 Assets held under finance leases**

Assets held under finance leases comprise the leasehold lands classified as investment properties, which are recognised and derecognised in line with the Group's accounting policies for investment properties.

### **3.6 Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups), except for investment properties, classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### **3.7 Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial assets**

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. Significant accounting policies (continued)

#### 3.7 Financial instruments (continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

##### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.



### 3. Significant accounting policies (continued)

#### 3.7 Financial instruments (continued)

##### (ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item (note 12).

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group'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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### 3. Significant accounting policies (continued)

#### 3.7 Financial instruments (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

##### *Other financial liabilities*

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **3. Significant accounting policies (continued)**

#### **3.7 Financial instruments (continued)**

##### **Derivatives financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group did not apply Hedge Accounting during the year.

#### **3.8 Leases**

##### *The Group as a lessee*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

- Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. A remeasurement of the liability may be required based on the accounting implication of the non-payment period by NCP granted.

As at 30 June 2021, all leases where the Group is lessee have been accounted for in these financial statements in the computation lease liability, except where the lease rentals are variable and not fixed.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured initially at cost and subsequently at fair value. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

#### **3.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand; call deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

The carrying value of cash and cash equivalents is considered to approximate fair value.

### **3. Significant accounting policies (continued)**

#### **3.10 Gross rental and related income**

Rental income is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue as and when it satisfies its performance obligations to the customer. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Rental income is recognised on a straight-line basis over the entire lease term. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial material direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premium paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early termination of a lease, the profit, net of dilapidations and non-recoverable outgoings related to the lease concerned, is immediately reflected in income.

Service and management charges and other property income are recognised in the accounting period in which the services are rendered.

#### **3.11 Finance costs**

All finance costs are recognised in profit or loss in the period in which they are incurred.

#### **3.12 Functional and presentation currency**

These consolidated financial statements are presented in British Pounds (GBP), which is the Group's functional currency.

All entities within the scope of consolidation, as disclosed in note 3.3, have GBP as their functional and presentation currency.

#### **3.13 Foreign currency translations**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **3.14 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **3. Significant accounting policies (continued)**

#### **3.14 Taxation (continued)**

##### **b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### **c) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **4. Use of estimates and judgements**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes:

##### *Investment property:*

Investment property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Investments in property are relatively illiquid; however, the Group has tried to mitigate this risk by investing in properties that it considers to be good quality.

The valuations are carried by external valuers, the details of which have been laid down in note 11 to these consolidated financial statements.

#### 4. Use of estimates and judgements (continued)

##### *Taxation:*

The calculation of the Group's deferred tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits, losses and/or cash flows. Refer to note 10 where the amounts have been disclosed.

#### 5. Gross rental and related income

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
Fixed rent	24,760,817	27,948,777
Variable rent	270,196	2,074,854
Service charges income	310,007	301,425
Insurance	223,860	347,178
Others	-	13,047
<b>Total gross rental and related income</b>	<b>25,564,880</b>	<b>30,685,281</b>

#### 6. Direct property operating (income)/expenses

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
Variable rent	80,842	2,114,231
Fixed rent	252,657	592,022
Service charges	314,978	584,372
Insurance	576,309	283,900
Finance lease amortisation	(1,451,766)	(349,003)
Others	27,237	27,258
<b>Total direct property operating (income)/expenses</b>	<b>(199,743)</b>	<b>3,252,780</b>

#### 7. Other income

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
Gain on disposal of investment properties	241,838	781,039
Other	3,626	9,270
<b>Total other income</b>	<b>245,464</b>	<b>790,309</b>

Gain on disposal of investment property represents the difference between sale proceeds and the carrying value of the car parks. During the financial year the Group sold five car parks for a net amount of GBP 15,631,197 (2020: eleven car parks for GBP: 65,581,039).

**8. Other administrative expenses**

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
Legal and professional expenses	4,446,485	4,433,495
Non-recoverable taxes other than levies on income	54,547	95,021
Write-off trade receivables (note 14)	11,651,060	-
Other expenses	32,756	68,434
<b>Total other administrative expenses</b>	<b>16,184,848</b>	<b>4,596,950</b>

**9. Net financing expenses**

Net financing expenses comprise interest on loans and amortisation of finance lease liabilities. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

Net financing costs can be analysed as follows:

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
<b>Interest expense on:</b>		
Borrowings	5,811,091	8,236,071
Amortisation of loan issuance fees	1,098,444	893,897
<b>Other finance expenses:</b>		
Interest on obligations under finance leases	1,395,505	1,884,051
Bank charges	132,065	44,499
<b>Net financing costs</b>	<b>8,437,105</b>	<b>11,058,518</b>

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**10. Taxation**

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
<b>Tax expense</b>		
Current tax	78,597	1,127,882
Deferred tax (note 13 and 19)	376,627	(3,242,050)
<b>Total taxation</b>	<b>455,224</b>	<b>(2,114,168)</b>

**Current tax reconciliation:**

Profit (loss) before taxation (Luxembourg @ 24.94%)	(15,691,8164)	11,995,676
(Loss) profit before taxation (United Kingdom @ 19.00%)	(58,547,323)	(20,730,583)
<b>(Loss) profit before taxation</b>	<b>(75,795,970)</b>	<b>(8,734,907)</b>
Tax on profit at applicable tax rates	(15,205,263)	(947,089)
<i>Tax effect of:</i>		
- expenses that are not deductible in determining taxable profit	2,792,090	3,686,363
- non-taxable profits	(3144)	(3,431,817)
- non-deductible fair value loss on UK properties	8,578,500	2,388,499
- profit not chargeable to tax in Luxembourg	4,081,272	-
- utilisation of tax losses not previously recognised	(17,480)	(1,322,978)
- non-resident landlord tax in the United Kingdom at special rates	78,507	749,182
- Others	225,876	5,722
<b>Total taxation</b>	<b>78,597</b>	<b>1,127,882</b>

The table below shows income tax levied by jurisdiction:

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
Luxembourg	-	-
United Kingdom	78,597	1,127,882

	From 1 July 2020 to 30 June 2021 GBP	From 1 July 2019 to 30 June 2020 GBP
<b>Deferred tax reconciliation:</b>		
Origination and reversal of temporary differences	376,627	(2,485,821)
Effect of changes in tax rates	-	-
Write-down previously recognised deferred tax assets	-	-
Potential future profits on which to recognise deferred tax asset	-	(756,229)
<b>Total taxation</b>	<b>376,627</b>	<b>(3,242,050)</b>



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**11. Investment properties**

	<b>2021 GBP</b>	<b>2020 GBP</b>
Total carrying value as at 1 July – as per external valuation	365,420,000	428,020,000
Disposals during the period (note 7)	(15,440,000)	(42,990,000)
Change on account of straight lining of rent	1,899,702	2,731,145
Fair value loss during the period*	(75,449,702)	(22,341,145)
Total carrying value as at 30 June – as per external valuation	276,430,000	365,420,000
Less: Assets classified as held for sale	-	-
Carrying value as at 30 June – as per external valuation	276,430,000	365,420,000
Add: Finance lease asset (note 18)**	24,075,542	24,210,005
<b>Carrying value of investment property as at 30 June</b>	<b>300,505,542</b>	<b>389,630,005</b>

\*excluding an amount of GBP 134,463 (2020: fair value gain of GBP 1,307,690) on account of fair value loss on finance lease asset.

\*\*included herein an amount of GBP 134,463 (2020: fair value gain of GBP 1,307,690) on account of fair value loss on finance lease asset.

The table below presents fair value hierarchy of the investment properties as at 30 June 2021 and 30 June 2020:

	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3 GBP</b>
<b>30 June 2021:</b>			
Investment properties, including those held for sale	-	-	276,430,000
<b>30 June 2020:</b>			
Investment properties, including those held for sale	-	-	365,420,000

The table below presents the classification of the investment properties as at 30 June 2021 and 30 June 2020:

<b>Classification</b>	<b>2021 GBP</b>	<b>2020 GBP</b>
Freehold	98,680,000	132,600,000
Long leasehold	171,890,000	6,930,000
Short leasehold	5,860,000	225,890,000
<b>Fair value in GBP</b>	<b>276,430,000</b>	<b>365,420,000</b>

The Group's investment property portfolio was valued by external valuers on the basis of fair value, in accordance with the RICS Valuation Professional Standards 2014, published by the Royal Institute of Chartered Surveyors. External valuations were prepared by Cushman & Wakefield (C&W). The independent valuers provide the fair value of the Group's properties every 12 months. The information provided to C&W, the assumptions and the valuation models used by C&W are reviewed by the Asset Manager. This also includes a review of fair value movements over the period.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity.

## 11. Investment properties (continued)

NCP did not pay any rent for the quarter January 2021 to March 2021 and for the quarter April 2021 to June 2021, and the respective trade receivables for this period have been written off. NCP has started paying rent from July 2021 onwards on monthly basis, following discussions for Re-Gear deal since April 2021 and entering into a framework deed signed with NCP on 8th October 2021. This has resulted in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29th June 2021. The new rent amounts to an annual amount of GBP 17,715,850 reflecting an annual decrease of rent in the amount of GBP 3,063,812. All of the above events gave rise to the lower investment property valuations and the fair value loss in the current year of GBP 75,449,702.

The COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The fair value of the properties has been determined using the investment approach applying a net initial yield to the passing rent. Net initial yield is based on the comparable transactions and the market experience of the external valuers and averages to 7.13% for 37 car parks covered in valuation (2020: 5.63% for 42 car parks).

Any changes in assumptions might affect the determination of yield. The quantitative impact of the change in yield on the valuation is analysed as follows:

Change of Yield	2021		2020	
	-25 bps GBP	+25 bps GBP	-25 bps GBP	+25 bps GBP
Freehold	103,010,000	94,700,000	139,640,000	126,260,000
Long leasehold	177,660,000	166,490,000	146,600,000	134,330,000
Short leasehold	6,060,000	5,670,000	96,560,000	89,000,000
<b>Fair value in GBP</b>	<b>286,730,000</b>	<b>266,860,000</b>	<b>382,800,000</b>	<b>349,590,000</b>
<b>Movement in fair value</b>	<b>3.73% Increase</b>	<b>3.59% decrease</b>	<b>4.76% Increase</b>	<b>4.33% decrease</b>

## 12. Derivative financial instrument at fair value through profit or loss

On 2 October 2018, the Group entered into a *pay fixed and receive floating* interest rate swap arrangement with the HSBC in order to mitigate the risk of the variable rate borrowing disclosed in note 17. The Group discharged its obligation by prepaying the fixed leg of the swap transaction on the date of transaction amounting to GBP 1,765,000 whilst reserving a right to receive the floating rate.

The termination date of the swap is 1 October 2023.

The derivative is carried at fair value which is received from the external valuers (Chatham Financial Europe Ltd.). The notional amount of derivative is GBP 206,955,000 and the fair value as at 30 June 2021 amounts to GBP 74,783 (2020: GBP 117,240).

Movement in the value is as follows:

	2021 GBP	2020 GBP
As at 1 July	117,240	386,035
Change in fair value of derivative financial instrument	(42,457)	(268,795)
<b>Fair value as at 30 June</b>	<b>74,783</b>	<b>117,240</b>

## 12. Derivative financial instrument at fair value through profit or loss (continued)

The table below presents fair value hierarchy of the derivative financial instrument at fair value through profit or loss as at 30 June 2021 and 30 June 2020:

	Level 1 GBP	Level 2 GBP	Level 3 GBP
<b>30 June 2021:</b>			
Derivative financial instrument at fair value through profit or loss	-	74,783	-
<b>30 June 2020:</b>			
Derivative financial instrument at fair value through profit or loss	-	117,240	-

## 13. Deferred tax asset

The movement in deferred tax asset is as follows:

	2021 GBP	2020 GBP
As at 1 July	6,214,439	5,458,210
Deferred tax income recognised	-	756,229
Deferred tax expense recognised	(2,889,038)	-
<b>As at 30 June</b>	<b>3,325,401</b>	<b>6,214,439</b>

The Group has not recognised a deferred tax asset arising from all available tax losses as at 30 June 2021, as it is uncertain whether the Group will earn sufficient profits in the future against which these losses can be offset. The remaining available tax losses as at 30 June 2021 amount to GBP 125,729,258 (2020: GBP 124,878,227), and unrecognised deferred tax asset amounts to GBP 20,563,158 (2020: GBP 19,001,682).

The Group purchased car parks located in the United Kingdom during December 2016. As the purchase was treated as an asset acquisition, there was an initial recognition exemption on all deferred taxes other than on tax losses. However, the Group considered that the tax losses could expire due to the change of ownership and, due to this uncertainty, did not attribute any part of the acquisition cost to any deferred tax asset that might arise as a result of some of these losses remaining available to the Group, which would, in any case, not have a material impact on these financial statements.

## 14. Trade receivables

	2021 GBP	2020 GBP
Trade receivables	11,651,060	2,124,878
Write off trade receivables	(11,651,060)	-
<b>Total prepayments and other receivables</b>	<b>-</b>	<b>2,124,878</b>

This represents receivables from the sole tenant of the Group in the normal course of business. All trade receivables are within their credit limits. The carrying values of trade receivables approximate their fair values as at 30 June 2021.

The trade receivables for the period from 1 January 2021 to 30 June 2021 have been written off as a result of the framework deed entered into between Chariot and NCP dated 8 October 2021, where it was agreed to grant a rent-free period during this time.

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**15. Prepayments and other receivables**

	<b>2021 GBP</b>	<b>2020 GBP</b>
Prepayments	1,068,105	797,358
Others	4,389,968	1,828,881
<b>Total prepayments and other receivables</b>	<b>5,458,073</b>	<b>2,626,239</b>

Other receivables include unpaid share capital of GBP 35 (2020: 35), amounts receivable from the shareholder in the ordinary course of business amounting to GBP 585,336 (2020: GBP 523,822), tax advances of GBP 3,761,459 (2020: GBP 1,305,024) and other receivables amounting to GBP 43,137 (2020: GBP nil) respectively.

**16. Cash and cash equivalents**

As at 30 June 2021, cash and cash equivalents include balances amounting to GBP 2,714,715 (2020: GBP 10,805,438) held in the bank accounts which are pledged in the favour of the security agent, as described in note 18 of these consolidated financial statements, by virtue of an account pledge agreement in relation to the external loan. Further, the bank accounts held with HSBC Luxembourg are restricted cash since the signatories are HSBC employees.

**17. Borrowings**

Details of borrowings are as follows:

<b>Description</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>2021 GBP</b>	<b>2020 GBP</b>
External loan (ii)	2 October 2023	LIBOR + 2.75%	214,353,363	223,997,669
Shareholder loan (i)	On demand or latest by 15 December 2026	Non-interest bearing	81,135,884	77,185,139
<b>Total borrowings excluding interest</b>			<b>295,489,247</b>	<b>301,182,808</b>
Accrued interest*			943,548	95,872
<b>Total borrowings as at 30 June</b>			<b>296,432,795</b>	<b>301,278,680</b>
<b>Less: Current portion</b>			<b>(82,079,432)</b>	<b>(77,281,011)</b>
<b>Non-current borrowings as at 30 June</b>			<b>214,353,363</b>	<b>223,997,669</b>

\*The full amount of accrued interest pertains to external loan.

- On 16 December 2016, the Company entered into a loan agreement with the shareholder for a total facility limit amounting to GBP 250,000,000. The open amount which is available for drawdown as at 30 June 2021 is GBP 168,864,117 (30 June 2020: GBP 172,814,861). This loan is non-interest bearing and is unsecured.

The loan is repayable on demand and is therefore classified as a current liability, however, the shareholder has confirmed that no repayments will be demanded for at least 18 months following the period end, except in circumstances where the investment is sold and the Borrower's liquidity improves.

- In October 2018 the Group started implementing a post-refinancing reorganization, as per the step plan prepared by an external advisor dated 28 September 2018 and the underlying addendums dated 19 December 2018, and 1 February 2019.

## 17. Borrowings (continued)

- a. The Group, as borrower, entered into a loan facility agreement with HSBC, as security agent, on 1 October 2018 for the amount of GBP 295,650,000. This new loan has been fully drawn.
- b. Average interest rate during the period on this facility was 2.57% (2020: 3.23%)
- c. Subsequently, the Company entered into a new set of interest bearing loan agreements with its Luxembourg and UK subsidiaries, while off-setting the existing interest bearing loan agreements between the same parties.
- d. On the 2 October 2018, the Group and its sole shareholder, as pledgors and HSBC, as pledgee, entered into an account pledge agreement regarding the ING Luxembourg S.A. accounts defined in the pledge agreement. On the same date, the Company and its sole shareholder, as pledgors and HSBC, as pledgee, entered into a receivables pledge agreement, as disclosed in note 16.
- e. The external loan is expected to decrease due to the amortisation of the loan issuance costs in next financial period of GBP 1.098.445
- f. NCP did not pay any rent for the quarter January 2021 to March 2021 and for the quarter April 2021 to June 2021, and the respective trade receivables for this period have been written off. As rental payments were received for the period from July 2020 to December 2020, Pre-IPD reports dated 28th October 2020 were submitted with compliance certificate showing all covenants passed. As rent due end of December 2020 was not paid, Pre-IPD reports dated 28th January 2021 were submitted with compliance certificate showing only two covenants as passed i.e. Loan to Value and Actual Debt Yield. No Projected Debt Yield covenant was calculated as no projection of income was possible due to uncertainties with NCP rent payments. It was similar in case of July IPD. Before the 28 October 2020 IPD, there was 1 asset sold, the sale proceeds after the cost of sale and repayment of allocated loan amount for GBP 1,669,500 in total was used to pay interest and supplier invoices
- g. After the 28 October 2020 IPD to April 2021 IPD, there were 4 assets sold and sale proceeds after the cost of sale and repayment of allocated loan amount for just under GBP 7,969,500 in total was used to pay interest and supplier invoices.
- h. After national lockdown declared at the end of December 2020, two assets were sold for just under GBP 7,905,484 after cost of sales and a repayment of allocated loan was made for GBP 5,150,250. The excess cash was used to pay invoices and interest for April 2021 IPD.
- i. Chariot managed to get consent on a Waiver Agreement for IPDs from July 2020 to October 2021. The latest waiver letter has been signed on 15th November 2021 for the date up to 1st December 2021. The generic terms of waiver agreement are:
  - i. No obligation to comply with Financial Covenants
  - ii. During the waiver period, fund request can be made to the lender to release funds in accordance with the Temporary Budget agreed upon operating expenses.
  - iii. In case of shortfall of cash, amount to the credit of Disposal Proceeds account can be used to settle any interest payable on IPD.
- j. NCP has started paying rent from July 2021 onwards on monthly basis, following discussions for Re-Gear deal since April 2021 and entered into a framework deed signed with NCP on 8th October 2021. This has resulted in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29 June 2021 to an annual amount of GBP 17,715,850.

## 18. Obligations under finance leases

### Leasing arrangements

The Group has leased land for various car parks, which form part of the investment properties disclosed at fair value. The average remaining lease term is 70 years; however, certain leases are for period beyond 100 years. The Group doesn't have title to the leased assets, and it lies with the lessor.

The interest rate underlying all obligations under finance leases is 5.78%.

### Finance lease liabilities

	2021		2020	
	Minimum lease payments GBP	Present value of obligations under finance leases GBP	Minimum lease payments GBP	Present value of obligations under finance leases GBP
Not later than one year	1,533,801	1,449,991	1,533,801	1,449,991
Later than one year and not later than five years	6,135,204	5,049,789	6,135,204	5,049,789
Later than five years	61,699,782	17,575,762	63,233,583	17,710,225
	69,368,787	24,075,542	70,902,588	24,210,005
Less: future financial charges	(45,293,245)		(46,692,583)	-
<b>Obligations under finance leases as at 30 June</b>	<b>24,075,542</b>	<b>24,075,542</b>	<b>24,210,005</b>	<b>24,210,005</b>
Current portion		1,449,991		1,449,991
Non-current portion		22,625,551		22,760,013
<b>Obligations under finance leases as at 30 June</b>		<b>24,075,542</b>		<b>24,210,005</b>
<b>Obligations associated with assets classified as held for sale (note 11)</b>		-		-
<b>Total Obligations under finance leases as at 30 June</b>		<b>24,075,542</b>		<b>24,210,005</b>

## 19. Deferred tax liability

The movement in deferred tax liability is as follows:

	2021 GBP	2020 GBP
As at 1 July	5,596,088	7,975,080
Deferred tax (credit) expense recognised	(2,512,411)	(2,485,829)
Deferred tax on account of liquidation of entities	-	106,837
<b>As at 30 June</b>	<b>3,083,677</b>	<b>5,596,088</b>

During the year, the Group has recognised a deferred tax credit of GBP 2,512,411 (2020: GBP 2,485,829) which represents taxable difference between the tax base and the carrying value of the investment properties held in UK. The Group has available tax losses that can be off set against the future tax liability and accordingly a deferred tax income of equal amount has been recognised as detailed in note 13.

## 20. Trade and other payables

	2021 GBP	2020 GBP
Deferred rent income	2,094,668	5,565,132
Value-added-tax liabilities	118,083	907,518
Other payables	859,918	1,753,410
<b>Total trade and other payables</b>	<b>3,072,669</b>	<b>8,226,060</b>

## 20. Trade and other payables (continued)

Deferred rent income represents advances received from tenants for future rental periods which are not yet recognised in the profit or loss account as revenue.

The management considers that the carrying amount of trade and other payables approximates their fair value.

## 21. Share capital

The authorised and issued capital of the Company is GBP 15,000 (2020: GBP 15,000), represented by 15,000 ordinary shares of GBP 1 each.

## 22. Other equity items

Other equity represents capital contribution from the shareholder of the Company without issuance of any shares and legal reserve.

During the financial year, the Group paid interim dividends amounting to GBP 11,283,371 on 28 October 2020.

## 23. Changes in liabilities arising from financing activities

The reconciliation of liabilities arising from financing activities is as follows:

	Borrowings	Obligations under finance leases	Total
	-----GBP-----		
Balance as at 01 July 2020 (notes 17 and 18)	301,278,679	24,210,005	325,488,684
<b>Cash changes:</b>			
Interest paid during the year on external loan	(6,067,164)	-	(6,067,166)
External loan repaid during the year	(9,639,000)	-	(9,639,000)
Shareholder loan drawn/(repaid) during the year	3,950,745	-	3,950,744
Obligations under finance leases repaid	-	(1,395,504)	(1,395,504)
	(11,755,419)	(1,395,504)	(13,150,926)
<b>Non-cash changes:</b>			
Interest accrued during the year (note 9)	5,811,091	1,395,504	7,206,595
Amortisation of loan issuance expenses	1,098,444	-	1,098,444
Obligations under finance leases written off against finance lease assets of equal amount on disposal	-	-	-
Increase in obligation against finance lease asset	-	(134,463)	(134,463)
	6,909,535	1,261,041	8,170,576
<b>Balance as at 30 June 2021 (note 17&amp; 18)</b>	<b>296,432,795</b>	<b>24,075,542</b>	<b>320,508,337</b>

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**24. Operating leases with tenants**

	<b>2021 GBP</b>	<b>2020 GBP</b>
Within one year	20,705,762	21,748,588
After one year but not more than five years	109,556,726	115,058,288
More than five years	278,675,790	322,468,248
	<b>408,938,278</b>	<b>459,275,124</b>

The Group has entered into commercial leases on its property portfolio. The commercial property leases typically have lease terms of 35 years and include clauses to enable periodic upward only revision of the rental charge according to prevailing market conditions. Remaining lease terms as at 30 June 2021 are 16 years for different lease agreements.

**25. Financial instruments and risk management policies and procedures**

**25.1 Categories of financial instruments**

All financial assets and financial liabilities are carried at amortised cost except for derivative financial instrument disclosed in note 12, which is carried at fair value.

The below table discloses the fair value hierarchy levels of financial assets and financial liabilities. Fair value hierarchy levels 1 to 3 are based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total GBP</b>
<b>2021</b>				
<b>Assets</b>				
Long term deposit	-	156,000	-	156,000
Deferred tax asset (note 13)	-	3,325,401	-	3,325,401
Trade receivables (note 14)	-	-	-	-
Prepayments and other receivables (note 15)	-	5,458,073	-	5,458,073
Cash and cash equivalents (note 16)	2,714,715	-	-	2,714,715
<b>Liabilities</b>				
Borrowings (note 17)	-	(296,432,795)	-	(296,432,795)
Deferred tax liability (note 19)	-	(3,083,677)	-	(3,083,677)
Trade and other payables (note 20)	-	(3,072,669)	-	(3,072,669)
Current tax liabilities (note 10)	-	(298,441)	-	(298,441)
<b>Total assets and liabilities</b>	<b>2,714,715</b>	<b>(293,948,108)</b>	<b>-</b>	<b>(291,233,393)</b>



## 25. Financial instruments and risk management policies and procedures

### 25.1 Categories of financial instruments (continued)

2020	Level 1	Level 2	Level 3	Total GBP
<b>Assets</b>				
Long term deposit	-	156,000	-	156,000
Deferred tax asset (note 13)	-	6,214,439	-	6,214,439
Trade receivables (note 14)	-	2,124,878	-	2,124,878
Prepayments and other receivables (note 15)	-	2,626,239	-	2,626,239
Cash and cash equivalents (note 16)	10,805,438	-	-	10,805,438
<b>Liabilities</b>				
Borrowings (note 17)	-	(301,278,680)	-	(301,278,680)
Deferred tax liability (note 19)	-	(5,596,088)	-	(5,596,088)
Trade and other payables (note 20)	-	(8,226,060)	-	(8,226,060)
Current tax liabilities (note 10)	-	(1,114,935)	-	(1,114,935)
<b>Total assets and liabilities</b>	<b>10,805,438</b>	<b>(305,094,207)</b>	<b>-</b>	<b>(294,288,769)</b>

Financial assets and liabilities included above are disclosed at their carrying value or amortised cost, as per the respective notes. The carrying amount of these assets and liabilities approximates their fair values as at 30 June 2021.

### 25.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings and obligations under finance leases as detailed in notes 17 and 18 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Group is not subject to any externally imposed capital requirements, except as disclosed in note 18.

The Management reviews capital structure of the Group on a regular basis. The gearing ratio at 30 June was as follows:

	2021 GBP	2020 GBP
Debt * (notes 11, 17 and 18)	320,508,336	325,488,685
Cash and bank balances (note 16)	(2,714,715)	(10,805,438)
<b>Net debt</b>	<b>317,793,621</b>	<b>314,683,246</b>
<b>Total equity</b>	<b>(14,728,610)</b>	<b>71,248,472</b>
<b>Net debt to total equity ratio</b>	<b>(21.58): 1</b>	<b>4.42: 1</b>
<b>Debt ratio</b>	<b>105%</b>	<b>78%</b>

\*Represents borrowings and obligations under finance leases.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for all stakeholders and to maintain a strong capital base to support the development of the investment activities (Refer to note 3.2 in relation to going concern).

The Group's management regularly monitors compliance with financial covenants. Please refer to note 17.

## **25. Financial instruments and risk management policies and procedures (continued)**

### **25.3 Financial risk management objectives**

Management has considered the possible impact that both, an agreed Brexit deal and no-deal Brexit would have on the Group's financial position. It is their view that revenues would be unaffected as they are not linked to the revenue that the Group's tenant receives and that tenant being a debt-free entity is not significantly exposed to a loss of revenue post-Brexit. The Group's main expense is bank interest and the recent refinancing and hedge minimise exposure to any disruption in debt markets.

Further, management has also made an assessment of the impact of Covid-19 on the Group's financial position and financial performance as disclosed in note 3.2 above. Management believes that the impact would not be material to cast a significant doubt to the Group's ability to continue as a going concern.

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Besides the capital risk management, the management seeks to minimise the effects of these risks by reviewing the credit worthiness of the counterparties with whom the business is conducted and where necessary these objectives are achieved by using derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

These risks and managements responses are addressed below in detail.

### **25.4 Market risk**

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, foreign currency risk and other price risks.

The Group doesn't have any financial instruments exposing it to other price risk. Interest rate risk and foreign currency risk are further discussed below.

### **25.5 Interest rate risk**

The Group's interest rate risk principally arises from borrowings.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. As at 30 June 2021, the Group has variable interest rate borrowings amounting to GBP 214,940,548 (2020: GBP 223,997,669).

The table below shows the effect of change in interest rate on the profit for the year:

	<b>+50 bps</b>	<b>-50 bps</b>
Profit for the year	decrease GBP 1,074,703	increase GBP 1,074,703

The Group's strategy is to mitigate the interest rate risk on its variable interest borrowings by entering into derivative contracts. The Group entered into an interest rate swap arrangement, as detailed in note 12, whereby the Group paid its full obligation with respect to the floating component of the variable rate borrowing and is therefore not subject to any interest rate risk on this borrowing.

The loan provided by Chariot Lux Holdco S.à r.l. with a principal value of GBP 81,135,883 is a non-interest-bearing loan and therefore not subject to interest rate risk. Consequently, a change of market interest rates will not lead to volatility within the statement of profit or loss and other comprehensive income.

## 25. Financial instruments and risk management policies and procedures (continued)

### 25.6 Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to such risk in respect of other receivables and other payables of the Company and its subsidiaries denominated in Euros. These balances in entirety are not considered material. However, these are closely monitored by the management to ensure that they do not grow significantly.

The table below shows the carrying amount of the Group's foreign currency denominated assets and liabilities.

	2021	
	Assets	Liabilities
Euros (EUR)	1,212,832	216,674

  

	2020	
	Assets	Liabilities
Euros (EUR)	1,393,106	740,975

The following table details the Group's sensitivity to a 10% increase and decrease in the GBP against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The effect of 10% change in the rate of respective currencies to GBP will have following effect on profit and equity:

	2021	
	+10%	-10%
Euros (EUR)	GBP 90,560 decrease	GBP 110,684 increase

  

	2020	
	+10%	-10%
Euros (EUR)	GBP 59,285 decrease	GBP 72,459 increase

### 25.7 Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate the counterparties. The effects of Covid-19 are disclosed in note 3.2 above. Management has assessed that NCP is adequately supported by its parent company and there should not be any further delays in future rent payments which could result in significant credit exposure over receivables.

The Group believes that The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

## 25. Financial instruments and risk management policies and procedures (continued)

### 25.7 Credit risk management (continued)

Cash and bank balances as at 30 June 2021 amounted to GBP 2,714,715 (2020: GBP 10,805,438). Funds were placed with financial institutions whose ratings are as follows:

Rating Agency	Financial Institution	Rating	2021 GBP	2020 GBP
Moody	ING Bank N.V.	Aa3	719,122	9,505,702
Moody	Santander UK plc	A2	43,033	1,299,401
Moody	HSBC France – Luxembourg branch	A1	1,952,561	335
			<b>2,714,715</b>	<b>10,805,438</b>

At 30 June 2021, the largest combined credit exposure to single counterparty was GBP 1,952,561 (2020: GBP 9,505,702, with ING Bank) which represents the total of cash accounts held with HSBC Bank. This represents 0.63% of total assets and 23.89% of the current assets. The Group doesn't have any other significant credit risk exposure to single counterparty.

### 25.8 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's liquidity position is monitored on a regular basis by the management. A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks. The amounts disclosed in the below tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position as the impact of discounting is not significant. The maturity analysis as at 30 June 2021 and 30 June 2020 is as follows:

30 June 2021	Fair value / Carrying value	< 3 months	3 to 12 months	1 to 5 years	> 5
<b>Assets</b>					
Long term deposits	156,000	-	-	-	156,000
Cash and cash equivalents	2,714,715	2,714,715	-	-	-
Trade receivables	-	-	-	-	-
Other receivables	4,389,967	4,389,967	-	-	-
Derivative financial instrument at fair value through profit or loss	74,783	-	-	74,783	-
	<b>7,335,466</b>	<b>7,104,682</b>	<b>-</b>	<b>74,783</b>	<b>156,000</b>
<b>Liabilities</b>					
Borrowings *	296,432,794	82,079,432	-	214,353,363	-
Trade and other payables	859,918	859,918	-	-	-
	<b>297,292,712</b>	<b>82,939,350</b>	<b>-</b>	<b>214,353,363</b>	<b>-</b>

**25. Financial instruments and risk management policies and procedures (continued)**

**25.8 Liquidity risk management (continued)**

<b>30 June 2020</b>	<b>Fair value / Carrying value</b>	<b>&lt; 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5</b>
<b>Assets</b>					
Long term deposits	156,000	-	-	-	156,000
Cash and cash equivalents	10,805,438	10,805,438	-	-	-
Trade receivables	2,124,878	2,124,878	-	-	-
Other receivables	1,828,881	1,828,881	-	-	-
Derivative financial instrument at fair value through profit or loss	117,240	-	-	117,240	-
	<b>15,032,437</b>	<b>14,759,197</b>	<b>-</b>	<b>117,240</b>	<b>156,000</b>
<b>Liabilities</b>					
Borrowings *	301,278,680	77,281,011	-	223,997,669	-
Trade and other payables	1,753,410	1,753,410	-	-	-
	<b>303,032,090</b>	<b>79,034,421</b>	<b>-</b>	<b>223,997,669</b>	<b>-</b>

\* The shareholder has confirmed that no repayments will be demanded for the 18 months following the period end, except in circumstances where the investment is sold and the Borrower's liquidity improves.

## 26. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of balances and transactions between the Group and other related parties, not disclosed elsewhere in these financial statements as such, are below:

30 June 2021

	Name of the related party	Relationship	Nature of transaction	Amount in GBP
(i)	Chariot Lux Holdco S.à r.l.	Shareholder	Dividend paid	<u>11,283,371</u>
(ii)	Hugh Sayer	Director of subsidiaries	Directorship fee	<u>27,237</u>
(iii)	TMF Luxembourg S.A.	Managing director of the Company	Fee for acting as managing director	<u>28,724</u>
			Fee for other services	<u>152,375</u>
			Payable included in trade and other payables	<u>16,119</u>
(iv)	TMF Global Services (UK) Limited	Managing director of the subsidiary	Fee for acting as managing director	<u>45,700</u>
			Fee for other services	<u>334,487</u>
			Payable included in trade and other payables	<u>4,008</u>
(v)	Taavi Davies	Director of the subsidiaries	Fee for management services	<u>14,550</u>
(vi)	Claude Noesen	Director of the subsidiaries	Fee for management services	<u>-</u>

## 26. Related party transactions (continued)

30 June 2020

	Name of the related party	Relationship	Nature of transaction	Amount in GBP
(i)	Chariot Lux Holdco S.à r.l.	Shareholder	Dividend paid	<u>41,629,959</u>
			Interest free loan repaid	<u>181,450</u>
(ii)	Hugh Sayer	Director of subsidiaries	Directorship fee	<u>18,000</u>
(iii)	TMF Luxembourg S.A.	Managing director of the Company	Fee for acting as managing director	<u>24,738</u>
			Fee for other services	<u>222,053</u>
			Payable included in trade and other payables	<u>76,785</u>
(iv)	TMF Global Services (UK) Limited	Managing director of the subsidiary	Fee for acting as managing director	<u>48,070</u>
			Fee for other services	<u>358,309</u>
(iv)	TMF Global Services (UK) Limited	Managing director of the subsidiary	Payable included in trade and other payables	<u>84,836</u>
(v)	Taavi Davies	Director of the subsidiaries	Fee for management services	<u>13,649</u>
(vi)	Claude Noesen	Director of the subsidiaries	Fee for management services	<u>11,164</u>

## 27. Commitment and contingent liabilities

The Company has received a notice in relation to the sold property Richmond Station. The notice has been served on Chariot Investment Holdings 2 SARL.

The notice relates to unpaid rents due under the headleases of this property which was sold to third parties. The company remains liable for performance of the tenant covenants in the headleases, notwithstanding the fact that it has been sold. The total amount claimed in relation to Richmond is GBP 718,823.98.

It appears a significant proportion of the amounts claimed in connection with Richmond cannot lawfully be claimed since they were due for payment more than 6 months prior to the notice being issued, rendering that element of the claim void.

Going forwards, the landlords are entitled to serve further notices as further arrears arise, which would result in the Company and former tenants being liable. NCP as the occupational tenant has received the notice relating to Richmond and has paid these sums. After the financial year-end, NCP has paid the balance and as such, the Company has no obligation to pay.

**27. Commitment and contingent liabilities (continued)**

In addition, the buyers of the property provided indemnities in favour of the selling entity (i.e. Chariot Investment Holdings 2 SARL), putting them on notice that, should the selling entity be required to make any payment, they will enforce the indemnity against the buyer.

As NCP has paid the balances post financial year-end, Management has concluded that there is no risk for Chariot entities.

**28. Events after reporting date**

Chariot entered into discussions for Re-Gear deal with NCP since April 2021 and managed to enter into a framework deed. The deal was signed on 8 October 2021, resulting in an amendment to the lease terms of the Chariot properties/car parks, decreasing the rent effective as of 29 June 2021. The new rent amounts to an annual amount of GBP 17,715,850 reflecting an annual decrease of rent in the amount of GBP 3,063,812.

The June 2021 external valuation prepared by Cushman & Wakefield, was done based on exiting terms prevailing at that time resulting into total valuation of GBP 276,430,000. This valuation does not take into account the new terms agreed in framework deal. Therefore, a valuation has been carried out again as at 30 September 2021 to reflect these changes to the lease terms, showing a fair value (as determined by external valuer) of GBP 309,020,000.

There are no significant events after the reporting date, that require disclosure in or adjustments to these consolidated financial statements.