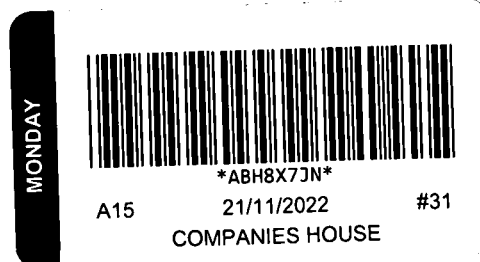


## **Sapphire Properties (2016) Limited**

**Unaudited annual report and financial statements  
for the year ended 31 December 2021**

**Registered number: 09461514**



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## Corporate directory

<b>Directors</b>	S A Bogaerts	(Appointed 13 January 2020)
	I M Daerden	(Appointed 13 January 2020)
	S D A Drewett	(Appointed 30 September 2020, Resigned 1 January 2022)
	B C Obasi	(Appointed 13 January 2020, Resigned 1 January 2022)
	P J Windsor	(Appointed 13 January 2020, Resigned 1 January 2022)
	R J Kennedy	(Appointed 1 January 2022)
	B L Walker	(Appointed 1 January 2022)
<b>Registered office</b>	13 Hanover Square London, W1S 1HN	
<b>Registered number</b>	09461514	
<b>Company secretary</b>	Crestbridge UK Limited 8 Sackville Street London, W1S 3DG	

## **Directors report**

The Directors of Sapphire Properties (2016) Limited (the "Company") present their Unaudited annual report and the Financial Statements for the year ending 31 December 2021.

### **Background**

The Company was incorporated in United Kingdom on 27 February 2015 and commenced activities on 27 February 2015.

### **Principal activities**

The principal activities of the Company is that of investment property.

### **Results and dividends**

The results for the year are set out in the Statement of comprehensive income on page 5. The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021.

### **Directors**

The Directors of the Company during the year and up to the date of the report are set out in the Corporate directory.

### **Statement of directors' responsibilities**

The Directors are responsible for preparing financial statements for the year which give a true and fair view, in accordance with applicable Financial Reporting Standard 102 in the United Kingdom and Republic of Ireland. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with United Kingdom Company Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud error and non compliance with law and regulations.

### **Secretary**

The secretary of the Company for the year ending 31 December 2021 was Crestbridge UK Limited.

### **Going Concern**

The Directors have considered the position and, in accordance with note 3(b) to the financial statements, note that the loan is long term and the shareholders have indicated that they will continue to support the Company within the next 12 months. Accordingly, the financial statements continue to be prepared on a going concern basis

### **Qualifying third party indemnity provisions**

The Company made no qualifying third party indemnity provisions for the benefit of the Director during the year ended 31 December 2021 (2020: £nil).

### **Political contributions**

The Company made no political contributions during the year ended 31 December 2021 (2020: £nil).

Sapphire Properties (2016) Limited  
Directors report  
31 December 2021  
(continued)

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## Directors report (continued)

### Small companies' note

In accordance with Section 414B of the Companies Act 2006, the Company has taken advantage of the small companies exemption in relation to the Strategic Report.

Approved by the board of directors on

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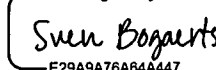
Bruce Walker

Director

17/11/2022

13 Hanover Square  
London,  
W1S 1HN

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Sven Bogaerts

Director

17/11/2022

**Sapphire Properties (2016) Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2021**

**Statement of comprehensive income**

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Rental income		4,803,134	4,001,040
Unrealised (loss) / gain arising on adjustment to fair value of investment properties		(265,503)	10,090,648
Other operating income		<u>-</u>	<u>869</u>
Property expenses		(1,990)	(152,938)
Managers fees		(150,158)	(133,560)
Professional fees		<u>(129,959)</u>	<u>(76,131)</u>
<b>Finance costs - net</b>			
Finance expenses		(886,487)	(4,392,338)
Finance income		<u>178,874</u>	<u>87,973</u>
<b>Profit before tax</b>		<b>3,547,911</b>	<b>9,425,563</b>
Income tax expense on ordinary operations	6	<u>(1,125,988)</u>	<u>(2,051,214)</u>
<b>Profit for the year attributable to equity holders of the company</b>		<b><u>2,421,923</u></b>	<b><u>7,374,349</u></b>

All items dealt with in arriving at the profit for the year attributable to equity holders of the company relate to continuing operations.

**Sapphire Properties (2016) Limited**  
**Statement of financial position**  
**As at 31 December 2021**

**Statement of financial position**

As at 31 December 2021

	Notes	2021 £	2020 £
<b>ASSETS</b>			
<b>Fixed assets</b>			
Asset under construction		8,349,196	-
Investment properties		<u>91,595,804</u>	<u>71,397,000</u>
		<u>99,945,000</u>	<u>71,397,000</u>
<b>Current assets</b>			
Current tax receivables		1,775,502	-
Debtors		520,519	1,051,239
Cash at bank and in hand		57,396	509,848
Other current assets		<u>175,000</u>	<u>-</u>
		<u>2,528,417</u>	<u>1,561,087</u>
<b>Total assets</b>		<u>102,473,417</u>	<u>72,958,087</u>
<b>LIABILITIES</b>			
<b>Creditors: Amounts falling due within one year</b>			
Current tax liabilities		42,174	-
Creditors	9	<u>5,038,901</u>	<u>9,733,818</u>
		<u>5,081,075</u>	<u>9,733,818</u>
<b>Creditors: Amounts falling due after more than one year</b>			
Borrowings	8	53,730,881	22,585,976
Deferred tax liabilities		<u>5,715,247</u>	<u>5,113,998</u>
		<u>59,446,128</u>	<u>27,699,974</u>
<b>Total liabilities</b>		<u>64,527,203</u>	<u>37,433,792</u>
<b>Total net assets attributable to shareholders</b>		<u>37,946,214</u>	<u>35,524,295</u>
<b>Equity</b>			
Ordinary shares	10	10,000	10,000
Reserves		-	-
Retained earnings		<u>37,936,218</u>	<u>35,514,295</u>
<b>Total equity</b>		<u>37,946,218</u>	<u>35,524,295</u>

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

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.


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

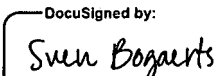
These Financial Statements have been prepared with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

The financial statements on pages 6 to 16 were approved and authorised for issue by the board of directors and were signed on its behalf by:

Statement of financial position (continued)

As at 31 December 2021

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Bruce Walker  
Director  
17/11/2022

DocuSigned by:  
  
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Sven Bogaerts  
Director  
17/11/2022



**Sapphire Properties (2016) Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

**Statement of changes in equity**

For the year ended 31 December 2021

	Share capital £	Investment Property Revaluation Reserve £	Retained earnings £	Total equity £
Balance at 01 January 2020	<u>10,000</u>	<u>16,350,099</u>	<u>11,789,847</u>	<u>28,149,946</u>
Profit for the year	-	-	7,374,349	7,374,349
Unrealised gain arising on adjustment to fair value of investment properties	-	10,090,648	(10,090,648)	-
<b>Balance at 31 December 2020</b>	<u><b>10,000</b></u>	<u><b>26,440,747</b></u>	<u><b>9,073,548</b></u>	<u><b>35,524,295</b></u>

	Share capital £	Investment Property Revaluation Reserve £	Retained earnings £	Total equity £
Balance at 01 January 2021	<u>10,000</u>	<u>26,440,747</u>	<u>9,073,548</u>	<u>35,524,295</u>
Profit for the year attributable to equity holders of the company	-	-	2,421,923	2,421,923
Transfer between reserves	-	(26,440,747)	26,440,747	-
<b>Balance at 31 December 2021</b>	<u><b>10,000</b></u>	<u><b>-</b></u>	<u><b>37,936,218</b></u>	<u><b>37,946,218</b></u>

## **Notes to the unaudited financial statements**

For the year ended 31 December 2021

### **1 General information**

Sapphire Properties (2016) Limited (the 'Company') carries on the business of property investment through a portfolio of freehold investment properties located in the United Kingdom. The Company is a limited liability company whose principal place of business is 13 Hanover Square, London, W1S 1HN and was incorporated and domiciled in United Kingdom.

### **2 Statement of compliance**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

### **3 Summary of significant accounting policies**

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

#### **(a) Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention, except for investment property which is measured at fair value.

##### *Critical accounting estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

#### **(b) Going concern**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **(c) Foreign currency translation**

##### *(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in pounds, which is the Company's functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

### 3 Summary of significant accounting policies (continued)

#### (d) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *(i) Classification*

The Company classifies its financial assets and financial liabilities in the following measurement categories

- Those to be measured subsequently at fair value through profit or loss, and
- Those to be measured at amortised cost (loans and borrowings).

#### **Financial assets**

Trade and other receivables and cash and cash equivalents are measured at amortised cost.

#### **Financial liabilities**

Trade and other payables, borrowings and shareholder loans are measured at amortised cost.

The classification depends on the Company's business model for managing the financial instruments and the contractual terms of the cash flow.

Assets measured at fair value are Financial Assets at Fair Value through Profit or Loss (FVPL) and Financial Assets at Fair Value through Other Comprehensive Income (FVOCI), gains and losses of which will be recorded in profit or loss or OCI respectively. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### *(ii) Recognition, derecognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

##### *(iii) Subsequent measurement of financial assets*

Subsequent measurement of trade and other receivables depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

The assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.

##### *(iv) Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### *(v) Derecognition*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### 3 Summary of significant accounting policies (continued)

#### (e) Revenue recognition

Revenue is recognised as follows:

##### (i) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of the rental income.

The costs of any lease incentives provided are recognised over the lease term, on a straight line basis as a reduction of rental income. The resulting asset is reflected as a receivable in the Statement of financial position. The valuation of the investment properties is reduced by the total of the unamortised lease incentive balances. Any remaining lease incentive balances in respect of properties disposed of are included in the calculation of profit and loss arising at disposal.

#### (f) Current and deferred income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset or liability is expected to be released or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### (g) Freehold investment property

Freehold investment properties are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the acquisition of the investment property.

After initial recognition, freehold investment properties are measured at fair value, with movements in the unrealised gains and losses recognised in the Income Statement. Fair value is based upon the market valuations of the properties as provided by the Directors at the balance sheet date, and is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### 3 Summary of significant accounting policies (continued)

#### (h) Expenditure

All expenses are accounted for on an accruals basis.

#### (i) Cash at bank and in hand

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

#### (j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### (k) Called up share capital

Ordinary shares are classed as equity.

### 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experiences as adjusted for current market conditions and other factors.

#### (a) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### (i) Estimates of fair value of investment properties

The market value of investment property is determined to be 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.

A key issue arising in measuring fair value of investment properties, is whether future capital expenditures for the development of a property should be considered. As a general rule, such expenditure should be considered only when a market participant would be reasonably expected to consider these in valuing the property. In the case of the property under development, it can be viewed that the related expenditure is part of the strategic construction plan for the property.

##### (ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### 5 Financial risk management

#### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

## 5 Financial risk management (continued)

The Company's risk management policies employed to manage these risks are discussed below:

### (a) Market risk

The Company's exposure to market risk is comprised of the following risks:

#### (i) Foreign Exchange risk

As at the period end, the Company is not exposed to material foreign exchange risk, as the majority of the Company's transactions are in Pound Sterling which is the Company's functional and presentation currency. It is also the Company's policy not to enter into any currency hedging transactions.

#### (ii) Price risk

The Company is exposed to property price and property rentals risk.

The Company is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

#### (iii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long term borrowings. Borrowings and shareholder loans are issued at fixed rates and therefore does not expose the Company to cash flow interest rate risk. On this basis, the Directors do not feel that it is necessary to complete a sensitivity analysis.

### (b) Credit risk

Credit risk is the risk that a counter party will be unable to meet a commitment that it has been entered into with the Company.

The financial assets of the Company comprise of cash and cash equivalents and trade and other receivables. The Company's cash balances are held with HSBC Bank plc with Moody's credit rating of A1. The Directors monitor the credit rating on an ongoing basis.

The Directors monitor the quarterly rent payments and covenant strength of the tenant on an ongoing basis.

#### Exposure to credit risk

The carrying value of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2021 £	2020 £
Trade and other receivables	520,519	395,844
Cash and cash equivalents	<u>57,396</u>	<u>509,848</u>
Total	<u>577,915</u>	<u>905,692</u>

## 5 Financial risk management (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet its financial commitments. Investments in property are relatively illiquid; however, the Company has tried to mitigate the associated risk by investing in desirable properties in prime locations.

As at 31 December 2021	On demand £	Less than 1 year £	1-5 years £	Over 5 years £	Total £
<b>Liabilities</b>					
Borrowings	53,730,881	-	-	-	53,730,881
Trade and other payables	-	5,038,901	-	-	5,038,901
<b>Total</b>	<b>53,730,881</b>	<b>5,038,901</b>	<b>-</b>	<b>-</b>	<b>58,769,782</b>

As at December 2020	On demand £	Less than 1 year £	1-5 years £	Over 5 years £	Total Column £
<b>Liabilities</b>					
Borrowings	22,585,976	-	-	-	22,585,976
Trade and other payables	-	9,733,818	-	-	9,733,818
<b>Total</b>	<b>22,585,976</b>	<b>9,733,818</b>	<b>-</b>	<b>-</b>	<b>32,319,794</b>

### (d) Capital management

The Company's objectives in managing its capital are to provide returns to the shareholders by operating the business at predetermined optimal level, by ensuring the present revenue stream from operation continues to increase and be effectively collecting its receivables as agreed with debtors.

**Sapphire Properties (2016) Limited**  
**Notes to the unaudited financial statements**  
**31 December 2021**  
**(continued)**

## 6 Income tax expense

The corporation tax is calculated at a rate of 19% of taxable profits for the year.

	2021 £	2020 £
<b>Income tax on ordinary operations</b>		
Current income tax charge	524,739	286,032
Deferred income tax	<u>601,249</u>	<u>1,765,182</u>
	<u>1,125,988</u>	<u>2,051,214</u>
	2021 £	2020 £
Profit/ (Loss) before income tax	<u>4,312,732</u>	<u>9,425,563</u>
Tax calculated at 19%	819,419	1,790,857
Effects of:	-	-
Prior year adjustment	(158,908)	260,357
Unrealised (loss)/gain on FV of investment property	(94,870)	-
Capital allowances	(59,748)	-
Non-deductible expenses	6,300	-
Remaining difference to be added to non-deductible expenses	12,546	-
Difference base value vs Fair value (deferred tax)	497,714	-
Capital allowances used (deferred tax)	<u>103,535</u>	<u>-</u>
	<u>1,125,988</u>	<u>2,051,214</u>

## 7 Cash at bank and in hand

	2021 £	2020 £
Total cash at bank	<u>57,396</u>	<u>509,848</u>
	<u>57,396</u>	<u>509,848</u>

## 8 Borrowings

	2021 £	2020 £
Notes		
Loan with Aedifica UK Limited	<u>53,730,881</u>	<u>22,585,976</u>



**Sapphire Properties (2016) Limited**  
**Notes to the unaudited financial statements**  
**31 December 2021**  
**(continued)**

## 9 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade payables	124,742	43,151
Accrued expenses	399,440	-
Deferred property income	416,752	340,586
Corporation tax payable	-	77,435
	<u>940,934</u>	<u>461,172</u>
Related party loans payable	<u>4,097,967</u>	<u>9,272,646</u>
	<u>5,038,901</u>	<u>9,733,818</u>

## 10 Issued capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Total issued capital</b>	<u>10,000</u>	<u>10,000</u>

## 11 Related party transactions

The Company had outstanding balances with related parties Aedifica UK Limited as disclosed in note 9.

## 12 Directors remuneration

The Company has no employees.

The Directors did not receive any remuneration during the year.

## 13 Ultimate controlling party

On 13 January 2020, the entire share capital of the Company was acquired by Aedifica UK Limited, the immediate parent company. Aedifica UK Limited is owned by Aedifica S.A., the ultimate controlling party. Aedifica S.A. is a publicly listed company incorporated in Belgium, and operating under Belgian law, and the registered address is Rue Belliard 40 bte 11, 1040 Bruxelles, Belgium.

## 14 Post balance sheet event

The company has approved the sale of care homes to Halycon Care Limited.