

Registration number: OC373508

Anglo Scandinavian Estates LLP

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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Anglo Scandinavian Estates LLP

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Anglo Scandinavian Estates LLP

LLP Information

Designated Members	CEG Holdings LLP ASE Investments S.à r.l.
Registered office	Sloane Square House 1 Holbein Place London SW1W 8NS
Auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

Anglo Scandinavian Estates LLP

Members' Report for the Year Ended 31 December 2021

The limited liability partnership ("LLP") Members present their report together with the audited financial statements for the year ended 31 December 2021.

Results and Members' capital

The Statement of Comprehensive Income is set out on page 9 and shows the profit for the year.

The Members do not propose the withdrawal of capital (2020: £ Nil).

Income distributions totalling £15,125,000 (2020: £ Nil) were payable to Members in respect of the year.

Principal activity

The LLP's principal activity is property investment in property owning businesses.

Review of business, key performance indicators and future developments

The LLP made a profit after tax of £642,289 (2020: loss after tax of £4,483,207) which is primarily as a result of dividend income of £3,025,000 being received in the year (2020: £ Nil).

Under the terms of the promote arrangement between the LLP, ASE Holdings S.à.r.l. and CEG Holdings LLP, once shareholders in ASE Holdings S.à.r.l. have received distributions equal to their net contribution plus a 12% per annum return, cash returns over and above that amount will be shared 20% to CEG Holdings LLP and 80% to shareholders of ASE Holdings S.à.r.l.

The amount distributed to CEG Holdings LLP totalled £3,025,000 (2020: £ Nil).

The COVID-19 pandemic has created significant disruption to the social and macro-economic conditions in which the LLP is operating. Whilst clarity of the full extent will not be known for some years, we continue to believe that our more regionally focused strategy is well positioned, with 100% of the LLP's market value situated outside London. COVID-19 will drive significant acceleration of existing workspace trends including migration to the regions, quality offices and amenitised flexible space. The LLP is a subsidiary within a property group, headed by ASE Holdings S.à.r.l. ("the Group").

Rental collections for 2021 were 97% (2020: 97%) (including amount agreed under payment plans) for the group of the underlying investments. The rental collection represents the total value of rent demanded against the value of rent collected (including amounts recoverable under agreed payment plans).

The Members will continue to regularly assess the possible impacts on the LLP due to COVID-19, being aware that the uncertainty is likely to generate opportunities for the business as well as challenges. The Members do not consider the LLP to be exposed to the economic uncertainties that have arisen through the Russia-Ukraine conflict.

Anglo Scandinavian Estates LLP

Members' Report for the Year Ended 31 December 2021 (continued)

Principal risks, uncertainties and financial instruments

The Members monitor the business performance of the Group of which the LLP is a Member on a quarterly basis in detail. This includes 5 year rolling cash flow forecasts, detailed management information for the rental business and banking covenants reports. This allows the Members to ensure that appropriate facilities and internal resource are available, and where necessary further funds are made available from Members.

Designated Members

The following were Designated Members, (as defined by the Limited Liability Partnerships Act 2000) during the year:

CEG Holdings LLP

ASE Investments S.à r.l. (appointed 9 September 2021)

ASE Holdings S.à r.l. (resigned 9 September 2021)

Statement of members' responsibilities in respect of the financial statements

The Members are responsible for preparing the Members' Report and financial statements in accordance with applicable laws and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial period. Under these regulations the Members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under these regulations the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions, disclose with reasonable accuracy at any time the financial position of the LLP, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Anglo Scandinavian Estates LLP

Members' Report for the Year Ended 31 December 2021 (continued)

Policies in relation to drawings, capital and profits

The policy for Members' drawings is that they are determined by the Members on a quarterly basis in line with the terms of the Limited Liability Partnership Deed dated 12 June 2012. These drawings are determined by taking into account the need to retain sufficient funds to finance the working capital and other needs of the business. Drawings will only be taken after these requirements have been met.

Individual Members' capital contributions are also determined on a quarterly basis by the Members' having regard to the short, medium and long term needs of the business.

Profits and losses of the LLP which are not yet divided among the Members are reflected under 'Retained earnings'. These reserves are allocated once all criteria have been met in accordance with the Limited Liability Partnership Deed.

Going concern

The Members consider that it is appropriate to adopt the going concern basis in preparing the financial statements. For further details see note 2 to the financial statements.

Events after the reporting period

Details of events that have occurred since the year end are set out in note 15 to the financial statements.

Reappointment of auditors

BDO LLP have expressed their willingness to continue in office.

Disclosure of information to auditor

Both of the current Members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the LLP's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Members

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Jaysal Atara

For and on behalf of Dooba Finance (UK) Limited
Designated Member of CEG Holdings LLP

Date: 28 September 2022 | 9:37 AM BST

Anglo Scandinavian Estates LLP

Independent Auditor's Report to the Members of Anglo Scandinavian Estates LLP

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Anglo Scandinavian Estates LLP ("the LLP") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Members' Interests, the Statement of Financial Position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Anglo Scandinavian Estates LLP

Independent Auditor's Report to the Members of Anglo Scandinavian Estates LLP (continued)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied to limited liability partnerships

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

We explained more fully in the statement of members' responsibilities in respect of the financial statements the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Anglo Scandinavian Estates LLP

Independent Auditor's Report to the Members of Anglo Scandinavian Estates LLP (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the LLP and the industry in which it operates, and considered the risk of acts by the LLP that were contrary to applicable laws and regulations, including fraud.
- We considered the LLP's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and tax legislation, and we considered the extent to which non-compliance might have a material effect on the LLP financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We reviewed minutes of all Board meetings held during and subsequent to the year end for any indicators of non-compliance and made enquiries of management and of the Members as to the risks of non-compliance and any instances thereof. We also made similar enquiries of advisers to the LLP, where information from that adviser has been used in the preparation of the financial statements
- We addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year end and evaluating whether there was evidence of bias by the Members that represented a risk of material misstatement due to fraud.

Anglo Scandinavian Estates LLP

Independent Auditor's Report to the Members of Anglo Scandinavian Estates LLP (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Michael Philp

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Michael Philp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

29 September 2022

Date:.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Anglo Scandinavian Estates LLP

Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		<u>(203,584)</u>	<u>(151,197)</u>
Operating loss	5	(203,584)	(151,197)
Finance income	6	9,439,813	6,414,906
Finance costs	6	(4,325,145)	(4,303,383)
Provision against impairment in subsidiaries	8	<u>(4,268,795)</u>	<u>(6,443,533)</u>
Profit/(loss) before tax		642,289	(4,483,207)
Taxation	7	<u>-</u>	<u>-</u>
Profit/(loss) and total comprehensive income /(loss) for the financial period attributable to Members		<u><u>642,289</u></u>	<u><u>(4,483,207)</u></u>

The above results were derived from continuing operations.

Anglo Scandinavian Estates LLP

Statement of Changes in Members' Interests for the Year Ended 31 December 2021

	Members' Capital £	Retained Earnings £	Total £
Balance at 1 January 2021	106,354,356	(32,745,167)	73,609,189
Distributions to Members	-	(15,125,000)	(15,125,000)
Comprehensive income for the year	-	642,289	642,289
Amounts due to Members on 31 December 2021	<u>106,354,356</u>	<u>(47,227,878)</u>	<u>59,126,478</u>

	Members' Capital £	Retained Earnings £	Total £
Balance at 1 January 2020	106,354,356	(28,261,960)	78,092,396
Comprehensive loss for the year	-	(4,483,207)	(4,483,207)
Amounts due to Members on 31 December 2020	<u>106,354,356</u>	<u>(32,745,167)</u>	<u>73,609,189</u>

The notes on pages 12 to 26 form an integral part of these financial statements.
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Anglo Scandinavian Estates LLP**(Registration number: OC373508)****Statement of Financial Position as at 31 December 2021**

	Note	31 December 2021 £	31 December 2020 £
Assets			
Non-current assets			
Investments in subsidiaries	8	50,000,660	54,269,455
Current assets			
Trade and other receivables	9	53,540,431	53,526,842
Cash and cash equivalents		49,026	24,604
		<u>53,589,457</u>	<u>53,551,446</u>
Total assets		<u>103,590,117</u>	<u>107,820,901</u>
Members' Interest and liabilities			
Members' interests		(59,126,478)	(73,609,189)
Current liabilities			
Trade and other payables	11	(185,750)	(130,155)
Loans and borrowings	10	(44,277,889)	(34,081,557)
		<u>(44,463,639)</u>	<u>(34,211,712)</u>
Total Members' interest and liabilities		<u>(103,590,117)</u>	<u>(107,820,901)</u>

The financial statements were approved by the Members and authorised for issue on 28 September 2022 | 9:37 AM BST

DocuSigned by:

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Jaysal Atara

For and on behalf of Dooba Finance (UK) Limited
Designated Member of CEG Holdings LLP

The notes on pages 12 to 26 form an integral part of these financial statements.

Anglo Scandinavian Estates LLP

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

1 General information

Anglo Scandinavian Estates LLP is a limited liability partnership incorporated in England & Wales under the Companies Act. The address of the registered office is given on the LLP information page and the nature of the LLP's principal activities are set out in the Members' Report.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the LLP's members to exercise judgement in applying the LLP's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The LLP's financial statements are presented in Sterling (GBP), which is the LLP's functional currency and all values are rounded to the nearest pound (£) except where otherwise indicated. The functional currency is the currency of the primary economic environment in which the LLP operates. Accordingly, the LLP measures its financial results and financial position in Sterling. The reporting currency used for the preparation of the financial statements is Sterling, which is the currency in which the Members' capital in the LLP is denominated.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

The financial statements contain information about Anglo Scandinavian Estates LLP as an individual LLP and do not contain consolidated financial information as the parent of a group. The LLP has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of ASE Holdings I S.à r.l. The consolidated financial statements of ASE Holdings S.à r.l., within which the LLP is included, can be obtained from that company's registered address which is 8, Rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand-Duchy of Luxembourg.

FRS 101 sets out a reduced disclosures framework for a 'qualifying entity', as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK adopted international accounting standards.

The LLP is a qualifying entity for the purposes of FRS 101. The LLP's transition date to FRS 101 is 1 January 2020. The LLP has notified its Members in writing about, and they do not object to, the use of the disclosure exemptions used by the LLP in these financial statements.

FRS 101 sets out amendments to UK adopted international accounting standards that are necessary to achieve compliance with the Companies Act 2006 and related regulations. These amendments had no impact on the Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Members' Interests for the year ended 31 December 2021.

Summary of disclosure exemptions

In preparing these financial statements the LLP has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Related party transactions with two or more wholly owned members of the group
- A Statement of Cash Flows and related disclosures for cash flows
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements
- Disclosures in relation to the objectives, policies and process for managing capital
- Disclosure of the effect of future accounting standards not yet adopted
- The remuneration of key management personnel
- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of ASE Holdings S.à r.l. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures.
- Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Going Concern

At 31 December 2021, the LLP had net current assets of £9,125,818 which is primarily amounts due from fellow group undertakings. The spread of COVID-19 has impacted the ability of fellow group undertakings to collect its rental collections as planned which give rise to uncertainty in the LLP's ability to recover these assets allowing the LLP to discharge its obligations as they fall due. The Members have taken actions to mitigate the LLP's cost base and cash outflows during this period.

ASE Holdings S.à r.l., the ultimate parent company, has confirmed in writing that it will provide the necessary level of financial support to enable the LLP to weather the impact of COVID-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements.

In making this assessment the Members have considered the ability of ASE Holdings S.à r.l. to provide the necessary resources to enable the LLP to rely upon the letter of support.

Reference has been made to the disclosures highlighted in their own Group financial statements for the year ended 31 December 2021 and due consideration has been made to the factors which the going concern assessment of the Group is dependent on. This includes analysis of the continued threat from COVID-19, the Russia-Ukraine conflict, performance of rental collections, continued access to funding and the ability to continue to operate the Group's secured debt structure within its financial covenants.

Reverse stress testing of the Group's forecasts has been performed by the Managers and this indicated sufficient liquid cash reserves to meet all committed contractual obligations over the assessment period being 12 months from the date of approval of these financial statements. In the unlikely event of rental collections falling below the minimum collection rate, the Group has remedies available to it under the bank debt facility which can be met through delaying discretionary capital expenditure. Furthermore, the risks occurring from rising inflation and interest rates has been considered with Group covenant and cashflow models appropriately modified to determine the impact of this. Sufficient headroom remains which allows the Group to manage these risks over the next 12 months.

As such, the Members have adopted the going concern basis of accounting in preparing the financial statements of the LLP.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective for the current year

There have been no new standards, interpretations or amendments issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (IFRIC) during the current year that had a material impact on the LLP's accounting policies or disclosures during that year.

Financial assets

The LLP classifies its financial assets into the categories listed below, depending on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The LLP has not classified any of its financial assets as held to maturity.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through the profit or loss:

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

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss.

The LLP's accounting policy for each category is as follows:

Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that there will be expected credit losses of the full value of the trade receivables. The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

The LLP's receivables comprise other receivables (including amounts owed by group undertakings) in the Statement of Financial Position. Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost.

Impairment of financial assets

Measurement of Expected Credit Losses

The LLP recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at fair value through the profit and loss, namely:

- Related party receivables

The LLP classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the LLP recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the LLP recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the LLP recognises the lifetime ECL.

For related party receivables, the LLP applies the simplified approach, which requires the expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses an assessment of whether the borrower has sufficient available liquid resources if the loan was called is made. In the case that there are insufficient available liquid resources, realisation scenarios of illiquid assets are used with estimated outcomes and probabilities of their occurrence to determine the expected credit losses.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date. Provisions for credit-impairment are recognised in the Statement of Comprehensive Income and are reflected in accumulated provision balances against each relevant financial instruments balance.

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment of assets

Assets including land that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. For the purpose of assigning impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Financial liabilities

The LLP classifies its financial liabilities into the category below:

Other financial liabilities

Other financial liabilities include the following items:

- Related party loans are initially recognised at fair value net of any transaction costs directly attributable to the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of Financial Position. Interest expense in this context includes initial transaction costs as well as any interest payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Members' capital

Financial instruments issued by the LLP are treated as equity only to the extent that they do not meet the definition of a financial liability.

Tax

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP. The relevant income tax is the responsibility of the Members of the LLP.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Investment in subsidiary undertakings

Investments by the LLP in subsidiary undertakings are accounted for by the cost method of accounting. Provisions are recorded where, in the opinion of the Members, there is long term impairment in value. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

The results of subsidiary undertakings are reflected in the financial statements of the holding LLP only to the extent of distributions receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Comprehensive Income.

3 Critical accounting judgements and key sources of estimation uncertainty

The LLP makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Carrying value of investments

Valuations of the investments at balance sheet date are undertaken with reference to the LLP's share of the net assets of the investee entity. Provisions are made where the Members consider the carrying value of the investment may not be recoverable in the long-term.

Application of IFRS 9 to related party loans

In applying IFRS 9 to related party loan receivables, the ultimate parent company has provided a continuing letter of support outlining its expected intention to support any related party loans across the group. This is reliant on the group having the ability to realise sufficient liquid assets enabling a timely repayment of related party loans in the event of the loan being called. In determining the ability to realise sufficient liquid assets within the group, the Members have used certain estimates and judgements in a variety of scenarios to calculate the present value of the future expected cash flows in the event a managed programme of realising the group's property assets occurs.

The Members do not consider that there are any other 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.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Financial instruments - risk management

Financial risk factors

The LLP is exposed through its operations to the following financial risks:

- Credit risk;
- Liquidity risk; and
- Interest rate risk.

In common with all other businesses, the LLP is exposed to risks that arise from its use of financial instruments. This note describes the LLP's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the LLP's exposure to financial instruments risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the LLP from which financial instrument risk arises are as follows:

- Other receivables (including amounts owed by related parties);
- Cash at bank;
- Other payables; and
- Other loans.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Financial instruments - risk management (continued)

Financial liabilities

The Members have overall responsibility for the determination of the LLP's risk management objectives and policies. The Members receive quarterly reports through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the Members is to set policies that seek to reduce risks as far as possible without unduly affecting the LLP's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Credit risk

The LLP's exposure to credit risk arises from the potential financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. It relates principally to the LLP's receivables from group undertakings.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The LLP aims to maintain flexibility in funding by keeping committed credit lines available.

The LLP's liquidity position is monitored on a daily basis. The liquidity position is reviewed quarterly by the Members.

(iii) Interest rate risk

The LLP has a loan facility provided by related parties at variable rates of interest which carry no early repayment penalties should the LLP decide to refinance the facilities.

Capital risk management

The Members monitor the capital needs of the LLP on an ongoing basis and formally on a quarterly basis the equity, debt and overall capital position of the LLP.

5 Operating loss

The auditors' remuneration for audit services amounts to £115,850 (2020: £102,730).

The LLP had no employees during the year (2020: Nil). The average number of Members in the year was 2 (2020: 2) both of whom were Designated Members. No Members received any remuneration during the year (2020: £ Nil).

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Finance income and costs

	2021 £	2020 £
Finance income		
Interest income on bank deposits	-	93
Dividend income	3,025,000	-
Intercompany interest receivable	<u>6,414,813</u>	<u>6,414,813</u>
Total finance income	9,439,813	6,414,906
Finance costs		
Interest on loans from group undertakings	<u>(4,325,145)</u>	<u>(4,303,383)</u>
Net finance income	<u><u>5,114,668</u></u>	<u><u>2,111,523</u></u>

7 Taxation

The financial statements do not include any charges or liabilities for taxation on the results of the LLP as the relevant income tax and any tax on capital gains is the responsibility of the individual partners.

8 Investments

	2021 £	2020 £
Investments in subsidiary undertakings		
At 1 January	54,269,455	60,712,988
Impairment charge	<u>(4,268,795)</u>	<u>(6,443,533)</u>
At 31 December	<u><u>50,000,660</u></u>	<u><u>54,269,455</u></u>

The historical cost of investments in subsidiary undertakings is £71,999,283 (2020 - £71,999,283).

Income distributions totalling £3,025,000 (2020: £Nil) were receivable from subsidiary undertakings in respect of the year. The split was as follows: Anglo Scandinavian Estates 1 LLP £3,025,000 (2020 - £Nil).

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Investments (continued)

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary	Country of Residence	Principal Activity	Proportion of ownership interest *
Anglo Scandinavian Estates Company Limited	England and Wales	Holding company	100%
Anglo Scandinavian Estates 1 LLP	England and Wales	Owning and renting property in the UK	100%
Anglo Scandinavian Estates 2 LLP	England and Wales	Owning and renting property in the UK	100%
Anglo Scandinavian Estates 3 LLP	England and Wales	Owning and renting property in the UK	100%
Anglo Scandinavian Estates 4 LLP	England and Wales	Owning and renting property in the UK	100%
ASE Kenmore I LLC	USA	Investing in UK real estate businesses	100%
Dooba Investments IV Limited	Malta and Cyprus	Investing in UK real estates businesses	100%
CEG Investments II LLP	England and Wales	Investing in UK real estates businesses	100%
ASE RE II LLP	England and Wales	Holding LLP for other property holding entities	100%
ASE RE A LLP	England and Wales	Owning and renting property in the UK	100%
ASE RE B LLP	England and Wales	Owning and renting property in the UK	100%
ASE Real Estate A Limited	England and Wales	Holding company for other property holding entities	100%
ASE Real Estate B Limited	England and Wales	Holding company for other property holding entities	100%
Dudley Unit Trust	Jersey	Property unit trust	100%
Alpha Works (Birmingham) Limited	England and Wales	Providing flexible workspaces to licencees	100%

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Investments (continued)

Name of subsidiary	Country of Residence	Principal Activity	Proportion of ownership interest *
ASE 1 Investments UK Limited	England and Wales	Holding company for other property holding entities	100%
ASE Kenmore UK Limited	England and Wales	Holding company for other property holding entities	100%

* Including direct and indirect investments

The full registered office address of entities with country of incorporation in England and Wales is Sloane Square House, 1 Holbein Place, London SW1W 8NS. The full registered office address of the entity with country of incorporation in Jersey is 28 Esplanade, St Helier, Jersey, JE2 3QA. The full registered office address of the entity with country of incorporation in Malta is Office 18, Verdala Business Centre, Level 1, LM Complex, Brewery Street, Zone 3, Central Business District, Birkirkara CBD 3040. The full registered office address of entities with country of incorporation in Cyprus is 59-61 Acropolis Avenue, 3rd Floor, Office 301 Strovolos, Nicosia 2012. The full registered office address of the entity with country of incorporation in the United States of America is 1209 Orange St, New Castle, Wilmington, DE 19801.

9 Trade and other receivables

	31 December 2021 £	31 December 2020 £
Amounts falling due within one year:		
Amounts owed by related parties	<u>53,496,692</u>	<u>53,515,995</u>
Total financial assets other than cash and cash equivalents classified as loans and receivables	53,496,692	53,515,995
Tax and social security	<u>43,739</u>	<u>10,847</u>
Total current trade and other receivables	<u><u>53,540,431</u></u>	<u><u>53,526,842</u></u>

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Trade and other receivables (continued)

Fair value approximates to book value at 31 December 2021 and 2020 as credit risk has been addressed as part of the impairment provisioning and due to the receivables not being subject to ongoing fluctuations in market rates as a result of their short term nature.

The LLP has assessed the credit risk of amounts owed by related parties under IFRS 9 and determined the expected credit losses to be immaterial due to the borrower being able to repay the loans through the disposal of the borrower's assets over time or due to the ultimate parent company providing a continuing letter of support outlining its intention to support any related party loans within the group. The support from the ultimate parent company may require an asset sale for which certain scenarios have been adopted including a managed sale achieving property book value over 6 months and a sale over 3 months being at a 10% discount to book value. Such support may also involve the recapitalisation of certain entities through the introduction of additional equity.

The ASE Finance S.à r.l. assigned loan of £53,456,776 (2020 - £53,456,776) is unsecured, repayable on demand, and subject to an interest rate accrual of 12.00% (2020 - 12.00%).

The Anglo Scandinavian Estates Company Limited working capital loan of £32,716 (2020 - £32,716) and CEG Investments II LLP loan of £7,200 (2020 - £Nil) are unsecured, repayable on demand, and non-interest bearing.

10 Loans and borrowings

The book value of loans and borrowings are as follows:

	31 December 2021 £	31 December 2020 £
Current		
Amounts due to related parties	44,277,889	34,081,557
Total loans and borrowings	<u>44,277,889</u>	<u>34,081,557</u>

The ageing analysis of these loans and borrowings is as follows:

	31 December 2021 £	31 December 2020 £
Within one year	<u>44,277,889</u>	<u>34,081,557</u>

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Loans and borrowings (continued)

Fair value approximates to book value at 31 December 2021 and 2020 as the interest payments on the loans and borrowings are based on commercial terms and market rates which are not considered to have substantially changed since the loan agreements were entered into.

The ASE Finance S.à r.l. working capital loan of £3,503,654 (2020 - £3,317,654) is unsecured, repayable on demand, and subject to an interest rate of 12.17% (2020 - 12.17%).

The ASE Finance S.à r.l. financing loan of £17,868,671 (2020 - £17,868,671) and the ASE Finance S.à r.l. interest accrual loan of £22,905,564 (2020 - £12,895,232), are unsecured, repayable on demand, and subject to an interest rate of 12.17% (2020 - 12.17%).

11 Trade and other payables

	31 December 2021 £	31 December 2020 £
Trade payables	24,600	-
Accrued expenses	161,150	130,155
Total financial liabilities, excluding loans and borrowings, classified as financial liability measured at amortised cost	<u>185,750</u>	<u>130,155</u>
Total trade and other payables	<u>185,750</u>	<u>130,155</u>

Due to the short term nature of the payables, they are not subject to ongoing fluctuations in market rates, and so the fair value approximates to book value at 31 December 2021 and 2020.

Maturity analysis of the financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost, is as follows (the amounts shown are undiscounted and represent the contractual cash flows):

	2021 £	2020 £
Up to one year	<u>185,750</u>	<u>130,155</u>

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

12 Reserves

Members' capital

Amount subscribed for capital in line with the LLP agreement.

Anglo Scandinavian Estates LLP

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 Reserves (continued)

Retained earnings

Other cumulative net gains and losses recognised in the Statement of Comprehensive Income less amounts distributed to Members.

13 Related party transactions

The LLP has taken advantage of the exemption under FRS 101 paragraph 8(k) not to disclose information about transactions entered into between two or more Members of the group where any subsidiary which is a party to the transactions is wholly owned by such a Member.

Members' capital provided by:

	2021 £	2020 £
ASE Holdings S.à r.l.	-	106,353,055
ASE Investments S.à r.l.	106,353,055	-
CEG Holdings LLP	1,301	1,301
	<u>106,354,356</u>	<u>106,354,356</u>

14 Controlling party information

The immediate controlling member is ASE Investments S.à r.l, a company incorporated in Luxembourg. There is no single ultimate controlling party.

ASE Holdings S.à r.l is the parent of the largest and smallest group for which consolidated accounts are publicly available and in which the results of the LLP are consolidated. These accounts are available from that company's registered address which is 8, rue Lou Hemmer, L-1748, Senningerberg, Grand Duchy of Luxembourg.

15 Events subsequent to the reporting period

Following the impact of high vaccination rates in the UK, better treatments for those suffering from COVID-19, the reopening of restricted businesses from May 2021 and the removal of all remaining Government imposed restrictions in the UK in February 2022 the Members consider the threat of COVID-19 to the going concern assessment to be limited. Similarly, the unfolding events across Europe between Ukraine and Russia have had a limited impact on the operations of the LLP given all properties and investments held are within UK property, let to principally UK based business and thus the Members consider the impact of this on the going concern assessment to be limited. The Members continue to monitor the Russia-Ukraine conflict and though there have been no direct impacts to date and none are expected, there may be indirect economic and commercial effects in the future that could impact LLP performance. As with all uncertainty opportunities may arise and the Members are confident that the LLP is well positioned to take advantage of this.