

Company Registration No. 03355428 (Incorporated in England and Wales)

**DERRY PARK ASSETS (UK) LIMITED**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



## **DERRY PARK ASSETS (UK) LIMITED**

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## **DERRY PARK ASSETS (UK) LIMITED**

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### **Company information**

**Directors** Mr. Michael Thomas Smith  
Mr. Wan Kwong Weng  
Mr. Paul Matthew Bailey  
Mr. Gavin David Bamberger

**Registration number** 03355428

**Registered offices** 4th Floor, WestWorks  
White City Place  
195 Wood Lane  
London, W12 7FQ

**Independent Auditors** PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## **DERRY PARK ASSETS (UK) LIMITED**

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### **STRATEGIC REPORT**

The Directors present their strategic report for the year ended 31 March 2021.

#### **Principal activities and review of the business**

The principal activity of the Company is to invest in and manage property.

The Company's financial statements show a loss before tax of £5,556,438 (2020: loss £15,279,710). The shareholders' deficit total (£8,776,543) (2020: shareholders' funds surplus £2,117,326).

#### **Key performance indicators**

The Company is managed by its Directors in accordance with the strategies of its intermediate parent company, Mapletree Investments Pte Ltd. For this reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the Company's intermediate parent's group annual report which does not form part of this report, which are included in the IFRS consolidated financial statements of Mapletree Investments Pte Ltd and are available at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438.

#### **Principal risks and uncertainties facing the Company**

The key business risks and uncertainties affecting the Company are considered to relate to the fact that the Company operates within a highly competitive market place and the future plan upon the expiration of its current lease tenant. The Directors of the Company have reviewed the Company's exposure to credit risk, liquidity risk and cash-flow risk. These risks and uncertainties are discussed in the Company's intermediate parent's group annual report which does not form part of this report.

#### **Financial risk management**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies are discussed in Note 22 of this report.

#### **Future outlook**

In the forthcoming year, the Company will continue its strategy underpinned by its existing tenant which will be expiring in the financial year ending 2023. The Company is currently evaluating the available options and its strategy upon the expiration of the lease.

On behalf of the board



Mr. Gavin David Bamberger

Director

Date: 12 July 2021

## **DERRY PARK ASSETS (UK) LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors of Derry Park Assets (UK) Limited (the "Company") present their report and audited financial statements of the Company for the year ended 31 March 2021.

The Company's registration number is 03355428.

#### **Directors**

The Directors who served during the year and up to the date of this report were:

Mr. Wan Kwong Weng  
Mr. Michael Thomas Smith  
Mr. Paul Matthew Bailey  
Mr. Gavin David Bamberger

None of the Directors are members of the Company or have other interests in the Company.

#### **Directors' conflict of interests**

Each of the Directors has a duty under the Companies Act 2006 to avoid a situation where he or she has, or could have, a direct or indirect interest that conflicts with the interests of the Company. The Company's Articles of Association contains provisions for dealing with conflicts or potential conflicts. The procedures for dealing with conflicts of interests have operated during the year under review.

#### **Directors' indemnities**

As permitted by the Company's Articles of Association, qualifying third party indemnity provisions for the benefit of its Directors have been in place throughout the year and up to the date of approval of these financial statements under which the Company has agreed to indemnify the Directors, to the extent permitted by law and by the Articles, against all liability arising in respect of any act or omission in the course of performing their duties.

#### **Dividends**

During the financial year, the Board has approved dividends of £2,300,000 per share, totalling £4,600,000 of which £4,600,000 has been paid during the year from distributable reserves (2020: £5,200,000).

#### **Political donations and political expenditure**

The Company made no political donations during the year.

#### **Post balance sheet events**

There have been no events since 31 March 2021 that require adjustments of, or disclosure in the financial statements.

#### **Information presented in other sections**

Key events during the period up to the date of this report, the future development of the business, risk management, a description of principal risks and uncertainties facing the Company and the financial review are set out in the Strategic Report on page 4.

## **DERRY PARK ASSETS (UK) LIMITED**

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### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **Financial statements**

The Directors have elected to prepare these financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

#### **Going concern**

The financial statements for the year ended 31 March 2021 have been prepared on a going concern basis. Note 2 sets out the basis upon which the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **Disclosure of information to auditors**

Each of the persons who is a Director at the date of approval of this report confirms that:

- As far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- He/she has taken all steps that he/she ought to have taken in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Reappointment of external independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Registered Office**

4th Floor  
WestWorks  
White City Place  
195 Wood Lane  
London, W12 7FQ

On behalf of the board



Mr. Gavin David Bamberger  
Director

Date: 12 July 2021

## **DERRY PARK ASSETS (UK) LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2021*

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



Mr. Gavin David Bamberger  
Director

Date: 12 July 2021



# Independent auditors' report to the members of Derry Park Assets (UK) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Derry Park Assets (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2021; the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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



## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Enquiries with the directors and management about compliance and risk, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures and incorporating unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by the directors in the significant accounting estimates, in particular in relation to the valuation of investment property;
- Testing the tax provisions of the Company; and
- Identifying and testing journal entries based on certain criteria, where any such journal entries were identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Ian Benham (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
12 July 2021

## DERRY PARK ASSETS (UK) LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	2021 £	2020 £
Revenue	4	5,873,274	5,920,392
Property Expenses		(105,731)	(123,925)
<b>Gross Profit</b>		<b>5,767,543</b>	<b>5,796,467</b>
Asset Management Fees		(212,224)	(282,868)
Administrative Expenses		(44,985)	(42,626)
Unrealised Loss on Revaluation of Investment Property		(10,248,141)	(19,264,680)
<b>Operating Loss</b>	5	<b>(4,737,807)</b>	<b>(13,793,707)</b>
Other Income		5,630	-
Finance Costs	8	(824,261)	(1,486,003)
<b>Loss before tax</b>		<b>(5,556,438)</b>	<b>(15,279,710)</b>
Income Tax	9	(882,499)	(733,647)
<b>Loss after tax</b>		<b>(6,438,937)</b>	<b>(16,013,357)</b>
<i>Items that may be reclassified to profit or loss:</i>			
Cash flow hedges		145,068	36,652
<b>Total Comprehensive Loss for the Year</b>		<b>(6,293,869)</b>	<b>(15,976,705)</b>

(The notes on pages 15 to 30 form part of these financial statements)

## DERRY PARK ASSETS (UK) LIMITED

Registered Number: 03355428

### STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment Property	10	45,000,000	56,700,000
Investment in Associated Company	11	15	15
<b>Total non-current assets</b>		<b>45,000,015</b>	<b>56,700,015</b>
<b>Current assets</b>			
Trade and other receivables	12	107,608	24,789
Cash and cash equivalents	13	5,993,449	5,121,947
<b>Total current assets</b>		<b>6,101,057</b>	<b>5,146,736</b>
<b>Total assets</b>		<b>51,101,072</b>	<b>61,846,751</b>
<b>Equity</b>			
Share Capital	17	2	2
Hedging Reserve		-	(145,068)
(Accumulated loss)/Retained Earnings		(8,776,545)	2,262,392
<b>Total Equity</b>		<b>(8,776,543)</b>	<b>2,117,326</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	14	57,000,000	-
<b>Total Non-Current Liabilities</b>		<b>57,000,000</b>	<b>-</b>
<b>Current liabilities</b>			
Borrowings	14	-	56,911,917
Derivative Financial Instruments		-	145,068
Trade and Other Payables	16	2,343,183	2,293,294
Tax Provision		534,432	379,146
<b>Total Current Liabilities</b>		<b>2,877,615</b>	<b>59,729,425</b>
<b>Total equity and liabilities</b>		<b>51,101,072</b>	<b>61,846,751</b>

These financial statements including the notes on pages 15 to 30 were approved by the Board of Directors on 12 July 2021 and signed on its behalf by:



Mr. Gavin David Bamberger  
Director

*(The notes on pages 15 to 30 form part of these financial statements)*

## DERRY PARK ASSETS (UK) LIMITED

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### STATEMENT OF CHANGES IN EQUITY

*For the financial year ended 31 March 2021*

	Share Capital	Hedging Reserve	Retained Earnings/ (Accumulated losses)	Total equity
	£	£	£	£
Balance as at 1 April 2019	2	(181,720)	23,475,749	23,294,031
Loss and total comprehensive loss for the year	-	36,652	(16,013,357)	(15,976,705)
Dividends paid	-	-	(5,200,000)	(5,200,000)
Balance as at 31 March 2020	<u>2</u>	<u>(145,068)</u>	<u>2,262,392</u>	<u>2,117,326</u>
Loss and total comprehensive loss for the year	-	145,068	(6,438,937)	(6,293,869)
Dividends paid	-	-	(4,600,000)	(4,600,000)
Balance as at 31 March 2021	<u>2</u>	<u>-</u>	<u>(8,776,545)</u>	<u>(8,776,543)</u>

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*(The notes on pages 15 to 30 form part of these financial statements)*

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## DERRY PARK ASSETS (UK) LIMITED

### STATEMENT OF CASH FLOWS

*For the financial year ended 31 March 2021*

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss before taxation	(5,556,438)	(15,279,710)
<b>Adjustment for:</b>		
- Unrealised loss on revaluation of investment property	10,248,141	19,264,680
- Decrease in lease debtor	1,451,859	1,135,320
- Finance interest costs	789,154	1,420,737
- Unrealised currency exchange loss	-	14
- (Increase)/decrease in trade and other receivables	(82,819)	166,968
- Increase in trade and other payables	82,784	51,173
<b>Cash generated from operations</b>	<b>6,932,681</b>	<b>6,759,182</b>
Income tax paid	(727,213)	(1,824,697)
<b>Net cash inflow from operating activities</b>	<b>6,205,468</b>	<b>4,934,485</b>
<b>Cash flows from financing activities</b>		
Net proceeds from long-term borrowing	88,083	-
Finance costs	(822,049)	(1,424,621)
Dividends paid	(4,600,000)	(5,200,000)
<b>Net cash outflow from financing activities</b>	<b>(5,333,966)</b>	<b>(6,624,621)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>871,502</b>	<b>(1,690,136)</b>
Cash and cash equivalents at the beginning of the year	5,121,947	6,812,083
<b>Cash and cash equivalents at the end of the year</b>	<b>5,993,449</b>	<b>5,121,947</b>

*(The notes on pages 15 to 30 form part of these financial statements )*

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2021*

#### 1. General information

The Company was incorporated and domiciled in England and Wales as a company limited by shares under the Companies Act 2006. The registered office is 4th Floor - WestWorks White City Place, 195 Wood Lane, London W12 7FQ, United Kingdom. The principal activity of the Company is to invest in and manage property.

#### 2. Significant accounting policies

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

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS") and the applicable legal requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for the measurement of investment property, financial assets and liabilities at fair value.

##### 2.2 Exemption from preparing consolidated financial statements

These financial statements are the separate financial statements of the Company. The Company is exempt from the requirement to prepare consolidated financial statements as the Company is a wholly-owned subsidiary of Temasek Holdings (Private) Limited, a Company incorporated in Singapore, and the results of Derry Park Assets (UK) Limited are included in the IFRS consolidated financial statements of Mapletree Investments Pte. Ltd., which are available at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438.

##### 2.3 Amendments to standards and framework adopted during the year by the Company

The following amendments to standards and framework have been adopted by the Company for the first time for the financial year beginning on 1 April 2020:

- Definition of Material – Amendments to IAS 1 and IAS 8;
- Definition of a Business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### New and amendments to standards and interpretations in issue but not yet effective

The following new and amendments to standards and interpretations relevant to the Company have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 7, IFRS 4 and IFRS 16 (effective 1 January 2021)
- Annual Improvements to IFRS Standards 2018 - 2022 (effective 1 January 2022)
- Classification of Liabilities as Current or Non-Current - Amendments to IAS 1 (effective 1 January 2023)
- Property, Plant and Equipment: Proceeds before Intended Use - Amendment to IAS 16 (effective 1 January 2022)
- COVID-19 Related Rent Concessions - Amendments to IFRS 16 (effective 1 June 2020)
- Disclosure of Accounting Policies - Amendments to IAS 1 (effective 1 January 2023)
- Definition of Accounting Estimates - Amendments to IAS 8 (effective 1 January 2023)

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 2. Significant accounting policies (continued)

##### 2.4 Going Concern

These financial statements for the year ended 31 March 2021 have been prepared on a going concern basis. The Company has sufficient operating cashflow to fund its day-to-day operations and expects to continue to generate healthy cashflows in the foreseeable future. The Company has a credit facility reaching maturity on 15 June 2022, of which the Company's intermediate parent company, Mapletree Investments Pte Ltd, has further confirmed its intention to provide continuing financial support to the Company should there be any shortfall.

##### Performance of investment property

The Company's investment property was valued on 31 March 2021 at an underlying market value of £42,521,188 (2020: £52,769,329) by independent professionally qualified valuers, Knight Frank LLP (2020: Knight Frank LLP) which employs staff with recognised relevant professional qualifications who has recent experience in the location and the type of the investment property.

The valuation methodology was based on capitalised current and projected net rental income derived after making allowances for non-recoverable expenditure at an appropriate investment yield. The valuation has been carried out using the investment methods. The market value is adjusted for the unamortised lease debtor recognising the straight line impact on rental income for a lease that contains a fixed escalation clause to obtain the fair value of the property, as described more fully in note 10. Based on this valuation, the Company is in a net liability position of £8,776,543 (2020: net asset position of £2,117,326).

##### 2.5 Associated company

Associated company is an entity which the company has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investment in associate company is accounted at cost.

##### 2.6 Currency translation

###### (a) Functional and presentation currency

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

###### (b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting 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 measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise, except for:

- Exchange differences on transactions entered into to hedge foreign currency risks (assuming all hedge accounting tests are met).



## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 2. Significant accounting policies (continued)

##### 2.7 Investment property

Investment property comprises property held to earn rentals and/or for capital appreciation.

Investment property is initially recognised at cost including the transaction costs and subsequently measured at fair value. Gain and loss arising from changes in the fair value of investment properties are recognised in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment property is derecognised when they are disposed of, or when no future economic benefits are expected from the disposal. Any gain or loss arising from the derecognition of the property is recognised in the profit or loss in the year in which the property is derecognised.

##### 2.8 Financial assets

All of the Company's financial assets are classified and measured under the amortised cost model. The classification and measurement of a financial asset is determined by the Company's business model for managing the financial asset. The Company's financial assets are principally from the provision of services and loans and are held to collect contractual cash flows.

###### *Initial recognition*

At initial recognition the Company measures financial assets at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

###### *Subsequent measurement*

Financial assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

###### *Impairment*

The Company calculates the impairment provision for trade receivables based on the simplified approach within IFRS9 using the forward looking expected credit loss model. Credit loss allowance is based on the 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets.

If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised. Note 22 details how the Company determines whether there has been a significant increase in credit risk and also shows how receivables are grouped by credit risk.

In determining the expected credit losses the Company takes into account any recent payment behaviours and future expectations of likely default events (ie. not making payment on the due date) based on relevant external ratings or historical information about the counterparty and trends in the wider macro-economic environment in which our customers operate.

The Company also considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor.
- Probability that the debtor will enter bankruptcy or financial reorganisation.
- Default or delinquency in payments

If in subsequent periods the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

###### *Recognition and derecognition*

All financial assets are normally recognised and derecognised on the date that an agreement has been entered into where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

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

##### **2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

##### **2.10 Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

###### **Borrowings**

All borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs incurred. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using effective interest rate method.

The effective interest rate method is a method of calculating the amortised costs 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 through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

###### **Trade payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

##### **2.11 Derivative financial instrument**

The Company entered into an interest rate swap and has applied hedge accounting.

The instrument is measured at fair value with the effective portion of the net gain or loss recognised in other comprehensive income, any ineffective portion is recognised immediately in the profit or loss.

##### **2.12 Leases - Company is the lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature.

At the commencement date, the company assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The company makes payments to agents for services in connection with negotiating lease contracts with the company's lessees. The letting fees are capitalised within the carrying amount of the related investment properties and are amortised over the lease term.

##### **2.13 Revenue recognition**

Revenue represents rental income from investment property leased out under operating lease agreements. Rental income from operating lease is recognised in the statement of profit or loss and other comprehensive income 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 reduction in the rental income. Service charge income is recognised as revenue in the period to which it relates.

##### **2.14 Finance income**

Deposit interest is recognised on an accrual basis.

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 2. Significant accounting policies (continued)

##### 2.15 Finance costs

Interest expense includes interest and finance charges on borrowings classified as liabilities. Interest expense is recognised in the statement of profit or loss and other comprehensive income on an accrual basis in the period in which they arise.

##### 2.16 Expenses

All expenses are recognised on an accrual basis in the statement of profit or loss and other comprehensive income in the period in which they arise.

##### 2.17 Dividend distribution

Dividend distributions to the Company's shareholders are recognised when the dividends are approved by the Board of Directors.

##### 2.18 Taxation

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

###### Current tax

Income tax for the year is based on taxable income for the year. Taxable income differs from profit as reported in the statement of profit or loss and other comprehensive income for the year as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the year is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

###### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted by the year end. Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### 2.19 Provisions

Provisions are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. It may also be the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not recognised for future operating losses.

Provisions will be discounted where the effect of discount is material.

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 2. Significant accounting policies (continued)

##### 2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 3. Critical accounting judgements and key sources of estimation uncertainty

Certain critical accounting judgements in applying the Company's accounting policies are described in note 2 of these financial statements.

##### Estimates

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors believe that critical accounting judgement has been applied in the preparation of these financial statements in respect of the valuation of the investment property, see note 23 for further details.

#### 4. Revenue

The Company's revenue comprises:

	2021 £	2020 £
Rental income	5,767,543	5,796,467
Service charge	105,731	123,925
	<u>5,873,274</u>	<u>5,920,392</u>

All revenue was generated within the UK and is attributable to continued operations.

#### 5. Operating Loss

The following amounts were charged during the year:

	2021 £	2020 £
Direct operating expenses	105,731	123,925
Audit fees	24,030	11,877
Non-audit fees - tax	12,420	7,870
Unrealised loss on revaluation of investment property	10,248,141	19,264,680
Currency exchange loss	93	30

All direct operating expenses recognised in profit or loss for investment properties are from the property that generated rental income.

#### 6. Staff costs

The Company does not have any employees. (2020: nil)

#### 7. Directors' emoluments

The Directors did not receive any emoluments in respect of their services to the Company during the year (2020: nil).  
The Company had no employees in the year (2020: nil) other than the Directors.

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**DERRY PARK ASSETS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***For the financial year ended 31 March 2021***8. Finance costs**

	2021	2020
	£	£
Interest on bank loans	669,552	1,008,386
Interest on SWAP	119,602	412,351
Other	-	13,450
Amortisation of finance fee	35,107	51,816
	<u>824,261</u>	<u>1,486,003</u>

**9. Income tax**

The tax charge for the year is made up as follows:

	2021	2020
	£	£
<b>Current tax</b>		
UK Corporation tax - current	891,424	757,144
UK Corporation tax - over provision in prior year	(8,925)	(23,497)
<b>Deferred tax</b>		
Current year	-	-
<b>Tax charge for the year</b>	<u>882,499</u>	<u>733,647</u>

The tax charge for the year can be reconciled to the statement of profit or loss and other comprehensive income as follows:

	2021	2020
	£	£
<b>Loss before tax</b>	<u>(5,556,438)</u>	<u>(15,279,710)</u>
Tax at the UK tax rate of 19% (2020: 19%)	(1,055,723)	(2,903,145)
Tax effect of:		
Over provision in prior financial years	(8,925)	(23,497)
Deferred tax benefits not recognised	1,947,147	3,660,289
<b>Tax charge for the year</b>	<u>882,499</u>	<u>733,647</u>

## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 10. Investment property

	2021	2020
<u>Fair value model</u>	£	£
Underlying market value	42,521,188	52,769,329
Lease debtor	2,478,812	3,930,671
<b>Carrying fair value at the end of the year</b>	<b>45,000,000</b>	<b>56,700,000</b>
	2021	2020
<u>Reconciliation of change in fair value</u>	£	£
Carrying value at the beginning of year as previously reported	56,700,000	77,100,000
Lease debtor movement in the year	(1,451,859)	(1,135,320)
Loss on revaluation of the investment property	(10,248,141)	(19,264,680)
<b>Carrying value at the end of the year</b>	<b>45,000,000</b>	<b>56,700,000</b>

See note 23 for further details on the valuation estimate used.

#### 11. Investment in associated company

	2021	2020
	£	£
Investment in associated company	15	15

The Company holds 15 (2020: 15) £1 ordinary shares of First Central Management Company Limited, which has issued 32 (2020: 32) £1 ordinary shares and one controlling A ordinary share in total.

First Central Management Company Limited is registered in England and Wales and its principal activity is property management.

The Directors believe that the carrying value of the investment is supported by its underlying net assets and future earnings.

#### 12. Trade and other receivables

Trade and other receivables due in less than one year:	2021	2020
	£	£
Trade receivables	13,991	14,312
Prepayments	93,617	10,477
	<b>107,608</b>	<b>24,789</b>

The fair value approximates the carrying value of the assets.

#### 13. Cash and cash equivalents

	2021	2020
	£	£
Cash in hand and balances with banks	5,993,449	5,121,947

## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 14. Borrowings

	2021	2020
	£	£
<b>DBS Bank Limited</b>	<b>57,000,000</b>	<b>56,911,917</b>

On 11 June 2020, the Company has extended its loan to 15 June 2022, with an additional top up of the loan to £57m. The loan now bear interest at Screen Rate plus margin of 1.05% per annum payable monthly (2020: 3-month LIBOR + 0.48675% per annum payable quarterly). There have been no defaults or breaches of interest payment terms during the year.

#### 15. Deferred tax

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred tax asset of £5,936,738 (2020: £3,989,591) in respect of temporary timing differences has not been recognised on the basis that it is not probable that such temporary timing differences will not reverse in the foreseeable future. There is no deferred tax liabilities recognised during the year (2020: nil).

#### 16. Trade and other payables

Trade and other payables due in less than one year:	2021	2020
	£	£
Trade payables	-	3,000
Amount owed to group undertakings	49,773	47,591
Deferred income	1,810,521	1,749,682
VAT payable	351,901	342,162
Accruals and other creditors	130,988	150,859
	<b>2,343,183</b>	<b>2,293,294</b>

The fair value approximates the carrying value of the liabilities.

#### 17. Share capital

	2021	2020
	£	£
<b>Issued and fully paid</b>		
2 ordinary shares of £1 each	<b>2</b>	<b>2</b>
<b>Reconciliation of the number of shares outstanding</b>	<b>2021</b>	<b>2020</b>
	<b>No. of shares</b>	<b>No. of shares</b>
<b>Ordinary shares:</b>		
At 31 March 2021 and 31 March 2020	<b>2</b>	<b>2</b>

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 18. Related party transactions

During the year, an asset management fee of £212,224 (2020: £282,868) was charged by Mapletree UK Management Limited, of which £49,773 (2020: £47,591) remains outstanding at the end of the year.

#### 19. Commitment and contingent liabilities

There are no commitment and contingent liabilities as at 31 March 2021 and 31 March 2020 that require adjustments of or disclosure in the financial statements.

#### 20. Operating lease commitments

The Company leases its investment property to Diageo Great Britain Limited under operating lease agreements. The lease will expire in September 2022 with annual escalation of 3%. The minimal lease rental receivable in respect of operating lease income is as follows:

<u>As a lessor:</u>	2021	2020
	£	£
Future minimum lease payments under non-cancellable operating leases:		
Within one year	7,446,370	7,219,403
One to two years	3,355,572	7,446,370
Two to three years	-	3,355,572
	<u>10,801,942</u>	<u>18,021,345</u>

#### 21. Capital management

The Company's objectives when managing capital (being debt, cash and cash equivalents and equity) are:

- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company is not subject to any externally imposed capital requirements. Equity includes all capital and reserves of the Company that are managed as capital.

The Company does not routinely make additional issues of equity capital, other than for the purpose of raising finance for the management of the cost of capital of the Company or to fund significant developments designed to grow in the future.



## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 22. Financial risk management

The Directors carry out the risk management function in respect of financial risks within the Company. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting year.

Financial risk comprises market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Company's financial instruments and how they are measured in the Statement of Financial Position is summarised in this section.

##### As at 31 March 2021

	Non-current £	Current £	Total £
<b>Financial assets at amortised cost</b>			
Trade and other receivables	-	13,991	13,991
Cash and cash equivalents	-	5,993,449	5,993,449
<b>Total assets</b>	<b>-</b>	<b>6,007,440</b>	<b>6,007,440</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	(57,000,000)	-	(57,000,000)
Trade and other payables	-	(180,761)	(180,761)
<b>Total liabilities</b>	<b>(57,000,000)</b>	<b>(180,761)</b>	<b>(57,180,761)</b>

##### As at 31 March 2020

	Non-current £	Current £	Total £
<b>Financial assets at amortised cost</b>			
Trade and other receivables	-	14,312	14,312
Cash and cash equivalents	-	5,121,947	5,121,947
<b>Total assets</b>	<b>-</b>	<b>5,136,259</b>	<b>5,136,259</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	-	(56,911,917)	(56,911,917)
Trade and other payables	-	(201,450)	(201,450)
<b>Financial liabilities at fair value through other comprehensive income</b>			
Derivative financial instruments	-	(145,068)	(145,068)
<b>Total liabilities</b>	<b>-</b>	<b>(57,258,435)</b>	<b>(57,258,435)</b>

## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 22. Financial risk management (continued)

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The Directors review and agree policies for managing its risk exposure. These policies are described below and have remained unchanged for the year under review.

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's objective is to minimise potential loss resulting from default of counterparty. The Company is exposed to credit risk as the entire revenue is derived from a single tenant. Grouping by credit risk is therefore not applied, this was also the case in the prior year.

Credit risk arises from the Company's cash and cash equivalents and trade and other receivables. The extent of the Company's credit exposure is represented by the carrying value of financial assets.

Credit risk in respect of cash is mitigated as cash and cash equivalents are only held with reputable institutions. Receivables are deemed to be fully recoverable and are monitored on a periodic basis. Receivables are subject to immaterial expected credit losses in line with IFRS 9.

##### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its cash commitments as they fall due. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or from a counterparty defaulting on repayment of a contractual obligation; or from the inability to generate cash inflows as anticipated.

The Company's objective is to maintain a balance between continuity of funding and flexibility through use of bank deposits and loans, including those from related parties. The Company's liquidity risk is managed by the Directors by monitoring, on a quarterly basis, the maturity of financial liabilities.

The following are the remaining contractual maturities at the end of the reporting year of financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows and include interest.

##### As at 31 March 2021

	Less than 1 year	1 to 5 years	Greater than 5 years	Total
	£	£	£	£
<b>Financial liabilities</b>				
Borrowings	(669,552)	(57,139,414)	-	(57,808,966)
Trade and other payables	(180,761)	-	-	(180,761)
	<u>(850,313)</u>	<u>(57,139,414)</u>	<u>-</u>	<u>(57,989,727)</u>

##### As at 31 March 2020

	Less than 1 year	1 to 5 years	Greater than 5 years	Total
	£	£	£	£
<b>Financial liabilities</b>				
Borrowings	(57,203,867)	-	-	(57,203,867)
Trade and other payables	(201,450)	-	-	(201,450)
Derivative financial instruments	(145,068)	-	-	(145,068)
	<u>(57,550,385)</u>	<u>-</u>	<u>-</u>	<u>(57,550,385)</u>

## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 22. Financial risk management (continued)

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from its interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. The Directors review these risks on a quarterly basis. The Company's objective is to prevent losses arising from more significant market movements.

##### Foreign currency risk

The Company has no material exposure to foreign currency risk as at 31 March 2021 and 31 March 2020.

##### Other price risk

The Company is subject to price risk other than from financial instruments (property price risk – see note 23).

##### Interest rate risk

Interest rate risk is the risk that the fair value of securities is affected by fluctuating interest rates. How much interest rate risk a security has depends on how sensitive its price is to interest rate changes in the market.

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

##### Interest rate swap

The Company used an interest rate swap to manage its exposure to interest rate fluctuations on its loan in the prior year. The interest rate swap was designated as the hedging instrument in a hedge of the variability in cash flows attributable to the interest risk of borrowings. This has been discontinued during the year.

<u>Interest rate swap (continued)</u>	<u>Notional amount</u>	<u>2021</u>	<u>2020</u>
Fair value of interest rate swap:	£	£	£
Current liabilities	56,900,000	-	145,068
		-	145,068
<b>Fair value of interest rate swap</b>		<b>2021</b>	<b>2020</b>
		£	£
Gains through Other Comprehensive Income		145,068	36,652

There was no hedge ineffectiveness in prior year. There was no interest rate swap arrangement in place as at the 31 March 2021 balance sheet date.

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 23. Fair value estimation

##### **Valuation techniques and assumptions applied for the purposes of measuring fair value**

The different levels of the fair value hierarchy, based on valuation method, are defined as follows:

- 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); and
- Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The following table analyses, within the fair value hierarchy, the Company's assets measured at fair value:

##### **As at 31 March 2021**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Assets</b>				
Investment property	<u>-</u>	<u>-</u>	<u>45,000,000</u>	<u>45,000,000</u>

##### **As at 31 March 2020**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Assets</b>				
Investment property	<u>-</u>	<u>-</u>	<u>56,700,000</u>	<u>56,700,000</u>
<b>Liabilities</b>				
Derivative financial instruments	<u>-</u>	<u>(145,068)</u>	<u>-</u>	<u>(145,068)</u>

There were no transfers between levels 1 and 2 or 3 during the year.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following summarises the valuation techniques and input used for investment property categorised in Level 3 as at 31 March 2021 and 31 March 2020:

## DERRY PARK ASSETS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 March 2021

#### 23. Fair value estimation (continued)

As at 31 March 2021

Investment property name	Fair value	Valuation technique	Significant unobservable input	Change in value	Relationship of unobservable input to fair value
	£		Target yield	£	
Lakeside Drive, Park Royal London	45,000,000	Income capitalisation	6.60%	(11,700,000)	The higher the yield, the lower the fair value

As at 31 March 2020

Investment property name	Fair value	Valuation technique	Significant unobservable input	Change in value	Relationship of unobservable input to fair value
	£		Target yield	£	
Lakeside Drive, Park Royal London	56,700,000	Income capitalisation	6.00%	(20,400,000)	The higher the yield, the lower the fair value

#### Valuation process

As at 31 March 2021 the investment property was valued at £45,000,000 (2020: £56,700,000). The Directors have employed professional valuers Knight Frank LLP (2020: Knight Frank LLP) which employs staff with recognised relevant professional qualifications to perform a valuation of the investment property using the Royal Institution of Chartered Surveyors' ("RICS") valuation standards in the United Kingdom.

The valuation is based on an analysis of recent market transactions and market knowledge from the valuers' agency experience. By necessity a valuation requires the valuer to make subjective judgements that, even if logical and appropriate may differ from those made by a purchaser, or another valuer. Property values can change substantially over short periods of time, therefore the fair value of the property at the date of signing these financial statements may differ materially to the valuation provided at 31 March 2021 and does not represent necessarily amounts which might be realised.

## DERRY PARK ASSETS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the financial year ended 31 March 2021*

#### 23. Fair value estimation (continued)

##### Valuation process (continued)

The valuation methodology was based on capitalised current and projected net rental income derived after making allowances for non-recoverable expenditure at an appropriate investment yield. The valuation has been carried out using the investment methods.

The management review the valuation performed by the independent valuers for financial reporting purposes. Periodic discussions of valuation processes and results are held between management and the independent valuers, in line with the Company's reporting requirements.

At each financial year end the management:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements;
- Holds discussions with the independent valuer if necessary.

The independent valuation of £45,000,000 (2020: £56,700,000) is based upon full purchaser's costs of 6.48% (31 March 2020: 6.48%) in accordance with market practice and the RICS's regulations.

We have undertaken sensitivity analysis to demonstrate the impact of the valuation, in line with IFRS requirements, as follows:

A 10 basis point increase in net initial yield would decrease the fair value by £300,000 (31 March 2020: £750,000).

A 10 basis point decrease in net initial yield would increase the fair value by £300,000 (31 March 2020: £725,000).

#### 24. Ultimate controlling parties

The immediate holding Company is Derry Park Holdings Pte. Ltd., the intermediate holding Company is Mapletree Investments Pte. Ltd. and the ultimate holding Company is Temasek Holdings (Private) Limited.

#### 25. Post-balance sheet events

There have been no events since 31 March 2021 that require adjustments of, or disclosure in the financial statements.