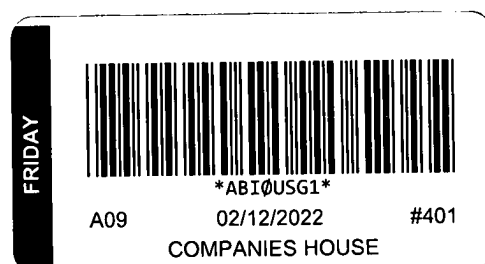


## **CORONA VULCAN DIDCOT II LIMITED**

Annual report and financial statements  
For the period 19 May 2021 to 31 December 2021  
Company Registration No. 05495284



Corona Vulcan Didcot II Limited  
Annual report and financial statements  
For the period ended 31 December 2021

<b>Contents</b>	<b>Page</b>
Directors' report	1 - 2
Statement of Directors' responsibilities	3
Independent auditor's report to the members of Corona Vulcan Didcot II Limited	4 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 18

## Directors' report

The directors present their report on the affairs of Corona Vulcan Didcot II Limited (the "Company"), registered number 05495284, together with the financial statements and auditor's report, for the period ended 31 December 2021. The Directors' Report has been prepared in accordance with the provisions applicable to the small companies regime. Accordingly a strategic report has not been prepared.

### Principal activities

The company was acquired from Hammerson UK Properties plc by Corona Vulcan Bidco Limited on 19 May 2021. The entity name was changed on 19 May 2021 from Hammerson (Didcot II) Limited to Corona Vulcan Didcot II Limited. The principal activity of the company is property investment in the United Kingdom.

### Business review

The company had net assets of £2,339,000 as at 31 December 2021 (18 May 2021: £1,859,000) and recognised a profit for the period 19 May 2021 to 31 December 2021 of £480,000 (1 January 2020 to 18 May 2021: loss of £11,676,000).

The company has not paid a dividend during the period (18 May 2021: £nil) and had no employees in the current period (1 January 2020 to 18 May 2021: nil). There are no proposed dividends for the period ended 31 December 2021.

### Directors

The directors who held office during the period and up to the date of this financial report were:

A Dawes (appointed 19 May 2021 and resigned 21 March 2022)  
J Moise (appointed 21 March 2022)  
P Maalde (appointed 19 May 2021)  
R Meller (appointed 19 May 2021)  
D Williamson (appointed 19 May 2021)  
S Travis (resigned 19 May 2021)  
R Shaw (resigned 19 May 2021)  
T Cochrane (resigned 19 May 2021)  
M Bourgeois (resigned 19 May 2021)  
T Beaney (resigned 19 May 2021)  
W Austin (resigned 19 May 2021)

### Going concern basis

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is currently profit making and in a net asset position however, it continues to receive support from its parent Corona Vulcan Bidco Limited, with funding requirements assessed on a monthly basis.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Indication of future developments

The directors do not anticipate any significant changes in the principal activity in the foreseeable future.

### Post balance sheet events

There are no post balance sheet events which are considered to be material to users of the financial statements up to the date of signing the financial statements.

### Political and charitable contributions

The company made no political or charitable contributions during the current period (1 January 2020 to 18 May 2021: nil).

### Principal risk and uncertainties

The principal risk and uncertainty, which could have a material impact on the company's long-term performance is the inability to meet cash flow requirements.

The principal risks and uncertainties facing the business are continuously monitored and managed by the directors.

### **Director's report (*continued*)**

#### **Financial risk management objectives and policies**

With regards to cash flow and liquidity risk, sufficient cash resources are available from the company's parent to ensure payments are met as they fall due.

#### **Audit of the financial statements**

Each Director at the date of approval of this annual report confirms that:

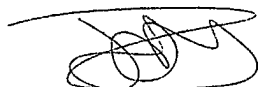
- so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

#### **Appointment of Auditors**

Deloitte LLP have been appointed for the initial audit and have expressed their willingness to continue appointment in office as auditor and the Directors have agreed to their appointment.

Approved by the Directors and signed on its behalf by:



J Moise  
Director

Level 26  
1 Canada Square  
Canary Wharf  
E14 5AB  
28 November 2022

## **Statement of Director's responsibilities in respect of the Directors' report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditor's report to the members of Corona Vulcan Didcot II Limited

### Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 16.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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.

## **Independent auditor's report to the members of Corona Vulcan Didcot II Limited (continued)**

### **Responsibilities of members**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

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 auditor's report.

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

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

We considered the nature of the entity's industry and its control environment, and reviewed the entity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the entity operates in, and identified the key laws and regulations

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, FRS 101, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the incentive to manipulate the assumptions utilised by the internal valuer in their estimation of the fair value of the investment property. Our specific procedures performed to address this included utilising an internal real estate specialist to assess the relevant industry data to benchmark the ERV and the key yield assumptions used.

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

## **Independent auditor's report to the members of Corona Vulcan Didcot Limited (continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

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

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

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### **Use of our report**

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



Andy Siddons (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
28 November 2022



**Statement of comprehensive income**  
For the period ended 31 December 2021

	<i>Notes</i>	<b>Period from 19 May to 31 December 2021 £'000</b>	<b>Period from 1 January 2020 to 18 May 2021 £'000</b>
Revenue	5	921	2,442
Cost of sales		<u>(168)</u>	<u>(1,525)</u>
<b>Gross profit</b>		<b>753</b>	<b>917</b>
Administrative costs		(32)	(20)
<b>Operating profit</b>	4	<u>721</u>	<u>897</u>
Finance costs	6	(605)	(678)
Other gains/(losses)	7	655	(11,892)
<b>Profit/(loss) before taxation</b>		<u>771</u>	<u>(11,673)</u>
Taxation	8	(291)	(4)
<b>Total comprehensive income/(loss) for the period</b>		<u><b>480</b></u>	<u><b>(11,677)</b></u>

All activities are derived from continuing operations

The Statement of comprehensive income should be read in conjunction with the notes to the financial statements

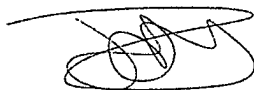
There were no items of other comprehensive income other than the loss for the period and consequently no separate statement of other comprehensive income is presented

**Statement of financial position**  
As at 31 December 2021

	Notes	31 Dec 2021 £'000	18 May 2021 £'000
<b>Non-current assets</b>			
Investment property	9	<u>19,244</u>	<u>18,968</u>
		19,244	18,968
<b>Current assets</b>			
Trade and other receivables	10	129	157
Corporation tax		39	-
Cash and cash equivalents	11	<u>989</u>	<u>136</u>
		1,157	293
<b>Total assets</b>		<u>20,401</u>	<u>19,261</u>
<b>Non-current liabilities</b>			
Lease liabilities	12	(2,901)	(2,901)
Deferred tax	8	<u>(249)</u>	<u>-</u>
		(3,150)	(2,901)
<b>Current liabilities</b>			
Lease liabilities	12	(118)	(118)
Trade and other payables	13	(14,794)	(14,380)
Corporation tax			(3)
		<u>(14,912)</u>	<u>(14,501)</u>
<b>Total Liabilities</b>		<u>(18,062)</u>	<u>(17,402)</u>
<b>Net assets</b>		<u>2,339</u>	<u>1,859</u>
<b>Equity</b>			
Share capital	14	29,500	29,500
Accumulated losses		(27,161)	(27,641)
<b>Total equity</b>		<u>2,339</u>	<u>1,859</u>

The Statement of financial position should be read in conjunction with the notes to the financial statements.

The financial statements of Corona Vulcan Didcot II Limited, registered number 05495284, were approved and authorised for issue by the Board of Directors on 28 November 2022 and were signed on their behalf by:



J Moise  
Director  
Corona Vulcan Didcot II Limited

**Statement of changes in equity**  
**For the period ended 31 December 2021**

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 01 January 2020	29,500	(15,964)	13,536
Total comprehensive loss for the period	-	(11,677)	(11,677)
At 18 May 2021	29,500	(27,641)	1,859
Total comprehensive income for the period	-	480	480
At 31 December 2021	<u>29,500</u>	<u>(27,161)</u>	<u>2,339</u>

The Statement of changes in equity should be read in conjunction with the notes to the financial statements

## Notes to the financial statements (forming part of the financial statements)

### 1. General information

Corona Vulcan Didcot II Limited is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Level 26, One Canada Square, London, E14 5AB. The nature of the company's operations and its principal activities are set out in the Directors' report.

### 2. Significant accounting policies

#### *Basis of accounting*

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council

The financial statements have been prepared under the historical cost convention except for investment property measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies have been consistently applied in the current period and are set out below.

The financial statements are expressed in Pound Sterling ("£") which is the functional currency of the company

#### *Disclosure exemptions adopted*

The following exemptions from the requirements of IFRS have, where relevant, been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments; Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities';
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information in respect of:
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - iii. paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - i. 10(d) (statement of cash flows);
  - ii. 16 (statement of compliance with all IFRS);
  - iii. 38A (requirements for minimum of two primary statements, including cash flow statements);
  - iv. 38B-D (additional comparative information);
  - v. 111 (cash flow statement information); and
  - vi. 134 – 136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS what has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Brookfield Asset Management Inc ("BAM") into which the Company is consolidated. The financial statements of BAM are publicly available and can be obtained as described in note 15.

## Notes to the financial statements (*continued*)

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

#### *Going concern*

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is currently profit making and in a net asset position. If necessary, it will receive support from its parent Corona Vulcan Bidco Limited, with funding requirements assessed on a monthly basis. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### *Financial Instruments*

##### Investments and other financial assets

##### i) Classification

The Company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The company reclassifies debt investments when and only when its business model for managing those assets changes

##### ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership

##### iii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and is presented net within other gains (losses) in the period in which it arises.

## Notes to the financial statements *(continued)*

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

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in net change in fair value of financial instruments at fair value through profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iv) Impairment

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

The company's financial assets are subject to the expected credit loss model.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2022, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and
- external market indicators; and
- tenant base.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

#### Financial liabilities

The company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the company opted to measure a liability at FVPL.

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

All loans and borrowings are initially recognised initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. 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.

## Notes to the financial statements (*continued*)

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

#### **Revenue recognition**

Revenue includes rental income and service charge income

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the company provides incentives to its tenants, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease where the company is reasonably certain that the tenant will exercise that option.

#### **Taxation**

The tax expense represents the sum of the tax payable and deferred tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law that have been enacted or substantially enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are no

#### **Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

#### **Right of use assets and liabilities**

The present value of future ground rents is added to the carrying value of the right-of-use asset which is accounted for as investment property and to the lease liability. On payment of ground rent, the interest element is charged to the statement of comprehensive income and the balance reduces the lease liability

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

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts.

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

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources

As the valuation of the company's properties is fundamental to the company's statement of financial position, the directors of the company consult with internal RICS qualified valuers to determine the valuation included within the year-end financial statements together with changes in market conditions (note 9).

Management does not consider there to be any critical estimates, apart from the valuation mentioned above, and any critical judgements pertinent to the preparation of these financial statements.

## Notes to the financial statements *(continued)*

### 4. Operating profit / (loss)

Fees payable to the Company's auditor in respect of their audit of these financial statements were £24,750 (1 January 2020 to 18 May 2021: £3,200), with no non-audit fees in either period.

### 5. Revenue

Revenue is solely generated in the United Kingdom

	Period from 19 May to 31 December 2021	Period from 1 January 2020 to 18 May 2021
	£'000	£'000
Rental income	798	2,160
Insurance income	6	-
Service charge revenue	117	282
<b>Total revenue</b>	<b>921</b>	<b>2,442</b>

Service charge and insurance income are associated with the ongoing maintenance of the property by the landlord. Where permitted under the lease agreements, these costs are recovered from tenants

Future aggregate minimum rentals receivable under non-cancellable operating leases are as follow:

	Period from 19 May to 31 December 2021	Period from 1 January 2020 to 18 May 2021
	£'000	£'000
Due within 1 year	1,858	1,796
Due within 2 - 5 years	5,873	6,197
Due after 5 years	5,177	5,964
<b>Total</b>	<b>12,908</b>	<b>13,957</b>

### 6. Finance costs

	Period from 19 May to 31 December 2021	Period from 1 January 2020 to 18 May 2021
	£'000	£'000
Interest on related party loan:	533	528
Interest on lease liability	72	150
	<b>605</b>	<b>678</b>

### 7. Other gains and losses

	Period from 19 May to 31 December 2021	Period from 1 January 2020 to 18 May 2021
	£'000	£'000
Gain/(loss) on fair value of investment property	661	(11,892)
Gains on fair value of other assets	(6)	-
	<b>655</b>	<b>(11,892)</b>



## Notes to the financial statements (*continued*)

### 8. Taxation

	Period from 19 May to 31 December 2021	Period from 1 January 2020 to 18 May 2021
	£'000	£'000
<b>Recognised in the statement of comprehensive income</b>		
Current tax expense	42	4
Total tax charge in statement of comprehensive income	42	4
<b>Deferred tax expense</b>		
Origination and reversal of timing differences	(242)	-
Adjustments in respect of prior period	491	-
Total tax charge in statement of comprehensive income	291	4
<b>Reconciliation of effective tax rate</b>	£'000	£'000
Profit/(loss) before tax	771	(11,673)
Tax using the UK corporation tax rate of 19%	146	(2,218)
Tax effect of amounts which are not deductible in calculating taxable income		
· Origination and reversal of timing differences	(378)	-
· Expenses not deductible for tax purposes	32	-
· Non-taxable fair value decrease	-	2,259
· Deferred tax not recognised	-	(37)
· Adjustment in respect of previous year	491	-
Total tax charge in statement of comprehensive income	291	4
<b>Deferred tax assets and (liabilities)</b>	-	-
Opening balance	-	-
Investment Properties	(310)	-
IFRS 16 - finance lease	60	-
Closing balance	(249)	-

The company's standard rate of corporation tax throughout the period was 19%.

In the Spring Budget 2021 the Government announced that from 1 April 2023 the main rate of UK corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. Therefore, the closing deferred tax liability has been recognised using a rate of 25%.

## Notes to the financial statements (continued)

### 9. Investment property

	31 Dec 2021 £'000	18 May 2021 £'000
<b>Fair Value</b>		
Opening balance	18,968	30,386
Right of use asset movement	(6)	(18)
Capital expenditures	(87)	849
Tenant incentives and leasing costs	10	486
Straight-lining of tenant incentives and leasing costs	(302)	(843)
Fair value adjustment during the period	661	(11,892)
<b>As at 31 December</b>	<b>19,244</b>	<b>18,968</b>

The carrying value of investment properties includes a right of use asset of £2,962,000 (18 May 2021: £2,968,000). The fair value of the property has been set at £16,282,000. The carrying amount of investment properties is the fair value of the property as determined by a RICS qualified internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The property is pledged as security for the debt held by the entity's parent company, Corona Vulcan Bidco Limited.

The historical cost of the investment property at 31 December 2021 was £44,903,000 (18 May 2021: £44,980,000).

The following summarises the sensitivity from the assumptions made by the Company in respect to the unobservable inputs used in the fair value measurement of the investment property. The equivalent cap rate used in the valuation of the property was 6.82%.

Input	Sensitivity	2021 £'000
Cap rate	+0.05%	(60)
Cap rate	+0.25%	(290)

### 10. Trade and other receivables

	31 Dec 2021 £'000	18 May 2021 £'000
Trade receivables	114	101
Prepayments	6	7
Accrued income	9	-
Other receivables	-	49
	<b>129</b>	<b>157</b>

All amounts shown under receivables fall due for payment within one year and are repayable on demand. The amounts owed are unsecured.

Trade receivables are shown after deducting a loss allowance provision of £32,000 (May 2021: £77,000).

The carrying amount of trade and other receivables approximates to their fair value.

### 11. Cash and cash equivalents

	31 Dec 2021 £'000	18 May 2021 £'000
Cash at bank and in hand	942	89
Restricted cash	47	47
	<b>989</b>	<b>136</b>

Cash at bank and in hand includes rental income held by the managing agent in advance of the interest payment date. As at 31 December 2021 this was £473,000 (May 2021: nil). Cash at bank and in hand also includes service charge cash of £139,000 (May 2021: £76,000). Restricted cash consists of tenant deposits of £47,000 (May 2021: £47,000).

## Notes to the financial statements (continued)

### 12. Lease liabilities

Finance lease obligations in respect of the Company's leasehold properties are payable as follow:

As at 31 December 2021	Minimum lease payments	Interest	Present value of minimum lease payments
	£'000	£'000	£'000
Less than one year	118	(118)	-
Between two and five years	470	(470)	-
More than five years	28,237	(25,218)	(3,019)
Balance as 31 December 2021	28,824	(25,806)	(3,019)

The finance lease obligations relate to land leased by the company from South Oxfordshire District Council and is based on a 0.973% implicit rate of interest. This a 250 year lease commencing from March 2017

As at 18 May 2021	Minimum lease payments	Interest	Present value of minimum lease payments
	£'000	£'000	£'000
Less than one year	118	(118)	-
Between two and five years	471	(471)	-
More than five years	28,322	(25,303)	3,019
Balance as 18 May 2021	28,911	(25,892)	3,019

### 13. Trade and other payables

	31 Dec 2021	18 May 2021
	£'000	£'000
Trade payables	251	113
Deferred income	151	103
VAT	238	48
Other payables	804	826
Related party payables	13,350	13,290
	14,794	14,380

The balance included within related party payables is an interest bearing intercompany loan payable to Corona Vulcan Bidco Limited, the 100% parent undertaking of Corona Vulcan Didcot II Limited. There is an interest rate of 6.50% applicable on the loan and it is repayable on demand. There are no loan covenants

## Notes to the financial statements (*continued*)

### 14. Share capital

	31 Dec 2021 £'000	18 May 2021 £'000
<i>Allotted, called up and fully paid</i>		
29,500,000 ordinary shares of £1 each	29,500	29,500

### 15. Ultimate parent undertaking

On 19 May 2021 Corona Vulcan Bidco Limited bought 100% of the shareholding of the Company from Hammerson UK Properties plc. At the year end the Company is a wholly owned subsidiary of Corona Vulcan Bidco Limited, which is registered in Jersey.

The largest and smallest group in which the results of the Company are consolidated is that headed by Brookfield Asset Management Inc., incorporated in Canada. The consolidated financial statements of Brookfield Asset Management Inc. are available to the public and may be obtained from its registered office at Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

### 16. Subsequent events

There were no subsequent events up to the date of authorisation of these financial statements which are considered material to users of the financial statements.