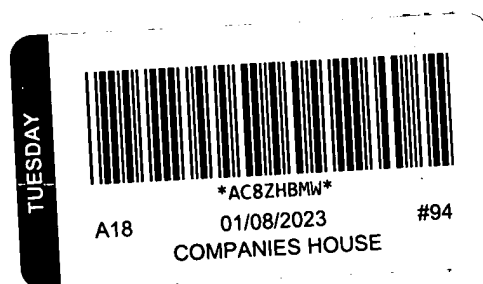

PROXIMA PROPERTY TOPCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



PROXIMA PROPERTY TOPCO LIMITED

COMPANY INFORMATION

Directors	W K Procter C C McGill P Hallam M D Watson
Company secretary	D T Lau
Registered number	06362710
Registered office	Berkeley House 304 Regents Park Road London N3 2JX
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

PROXIMA PROPERTY TOPCO LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 15

PROXIMA PROPERTY TOPCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors

The directors who served during the year were:

W K Procter
C C McGill
P Hallam
M D Watson

Principal activity

The principal activity of the company during the year was that of a holding company of property investment and real estate management companies.

Results and dividends

The loss for the year, after taxation, amounted to £1,110,395 (2021 - loss £214,651).

The directors do not recommend the payment of a dividend for the current year and no dividend was paid in the prior year.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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). 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 for the Company's financial statements 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 to 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.

PROXIMA PROPERTY TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Insurance of company officers

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

97DB064D6A94426...

P Hallam
Director

Date: 28 July 2023

PROXIMA PROPERTY TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROXIMA PROPERTY TOPCO LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Proxima Property Topco Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the 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.

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.

PROXIMA PROPERTY TOPCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROXIMA PROPERTY TOPCO LIMITED
(CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

PROXIMA PROPERTY TOPCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROXIMA PROPERTY TOPCO LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities 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.

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

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

Procedures performed by the audit team included:

- Discussion with management regarding known or suspected instances of non-compliance with laws and regulations; and
- Obtaining an understanding of control designed to prevent and detect irregularities, including specific consideration of controls and group accounting policies relating to significant accounting estimates;
- Obtaining an understanding of the significant laws and regulations impacting the Company;
- Communicating relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- Assessing journal entries as part of our planned approach.

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

PROXIMA PROPERTY TOPCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROXIMA PROPERTY TOPCO LIMITED
(CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

David I Anson

3C4044E44657418...

David I'Anson (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor
Southampton, UK

Date: 28 July 2023

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

PROXIMA PROPERTY TOPCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Administrative expenses		(11,217)	(9,270)
Operating loss		(11,217)	(9,270)
Interest receivable and similar income		325,275	392,843
Profit before tax		314,058	383,573
Tax on profit	5	(1,424,453)	(598,224)
Loss for the financial year		(1,110,395)	(214,651)

There was no other comprehensive income for 2022 (2021:£NIL).

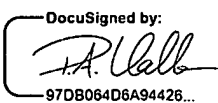
PROXIMA PROPERTY TOPCO LIMITED
REGISTERED NUMBER: 06362710

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments		1,000	1,000
Current assets			
Debtors: due within one year	7	11,786,019	11,612,019
Debtors: amounts falling due after more than one year	7	15,832,791	15,474,290
		<u>27,618,810</u>	<u>27,086,309</u>
Creditors: amounts falling due within one year	8	(27,378,764)	(25,735,869)
Net assets		<u><u>241,046</u></u>	<u><u>1,351,440</u></u>
Capital and reserves			
Share capital	9	1	1
Profit and loss account	10	241,045	1,351,439
		<u><u>241,046</u></u>	<u><u>1,351,440</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

97DB064D6A94426...

P Hallam
Director

Date: 28 July 2023

The notes on pages 9 to 15 form part of these financial statements.

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Proxima Property Topco Limited is a limited company domiciled and incorporated in England. The address of the company's registered office and principal place of business is Berkeley House, 304 Regents Park Road, London, N3 2JX. The company's principal activity during the year was that of holding company of property investment and real estate management companies.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The company has positive net assets and is able to meet all of its obligations as they fall due. Due to the nature of the company's operations, the directors do not consider that this situation will change in the foreseeable future.

In addition, the directors have received confirmation from Fairhold Services Limited, a company subject to common control, that it will continue to provide sufficient funding for the foreseeable future, and for at least the twelve months following the date of approval of the financial statements, to enable the company to meet its obligations to third parties as they fall due. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

2.4 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.5 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2.7 Financial instruments

The company's intercompany debtors and creditors are measured at the transaction price, net of any transaction costs, and subsequently at amortised cost using the effective interest method.

3. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Auditor's remuneration:		
- Statutory audit of parent company and subsidiaries	11,217	9,270
	<u> </u>	<u> </u>

The audit fee for O.M. Limited, Proxima Freeholds Limited and Proxima Property Ownership Limited is borne by the company and is included in the above amounts.

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

5. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	1,399,730	384,273
Adjustments in respect of previous periods	24,723	213,951
	<u>1,424,453</u>	<u>598,224</u>
Total current tax	<u>1,424,453</u>	<u>598,224</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>1,424,453</u>	<u>598,224</u>

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	314,058	383,573
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	59,671	72,879
Effects of:		
Tax losses utilised	(2,002,790)	(996,589)
Adjustments to tax charge in respect of prior periods	24,723	213,951
Chargeable gains adjustments	3,404,466	1,333,586
Group relief surrender	2,131	1,761
Transfer pricing adjustments	(63,748)	(27,364)
Total tax charge for the year	1,424,453	598,224

The company has tax losses of approximately £193m (2021: £204m) available to carry forward against future trading profits. No provision has been made for the deferred tax asset arising on these losses due to the uncertainty of their recovery.

Factors that may affect future tax charges

The Finance Act 2021 was substantially enacted in May 2021 and has increased the main corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2022	1,000
At 31 December 2022	<u>1,000</u>

7. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts owed by group undertakings	<u>15,832,791</u>	<u>15,474,290</u>
Due within one year		
Amounts due from parent undertaking	1,141,594	1,141,594
Amounts due from group undertakings	8,500,153	8,500,153
Other debtors	2,144,272	1,970,272
	<u>11,786,019</u>	<u>11,612,019</u>

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Amounts due to group undertakings	25,570,038	25,351,596
Corporation tax	1,808,726	384,273
	<u>27,378,764</u>	<u>25,735,869</u>

There are no amounts included under 'creditors' which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the reporting date.

There are no amounts included under 'creditors' in respect of which any security has been given by the company.

9. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1 (2021 - 1) Redeemable share of £1	<u>1</u>	<u>1</u>

Redeemable ordinary shares

The company's redeemable ordinary share, which carries no right to fixed income, carries the right to one vote at general meetings of the company.

The company may, subject to the provisions of the Companies Act 2006 at any time redeem the whole or any part of the Redeemable Ordinary Shares upon giving to the members whose shares are to be redeemed not less than three days' notice in writing before the date fixed for redemption. The company shall not be entitled to redeem any Redeemable Ordinary Share unless it is a fully paid share.

There shall be paid on each Redeemable Ordinary Share redeemed the amount paid up thereon.

10. Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

PROXIMA PROPERTY TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Related party transactions

Euro Investments Overseas Inc., is regarded as a related party due to Euro Investments Overseas Inc. having control over the company. As at 31 December 2022 Euro Investments Overseas Inc. owes the company £1,141,594 (2021: £1,141,594). No interest is charged on this balance.

There were no transactions with the Board members, members of the key management staff or other during the year.

12. Contingent liabilities

The directors are currently assessing the potential impact of the Building Safety Act 2022, which received Royal Assent on 28 April 2022. The Company does not consider it has any direct risk or liability from the provisions of the Building Safety Act 2022 as the company itself does not own any relevant properties. However, it is part of a wider group of companies in which such risks and liabilities may arise separately which could, potentially give rise to liabilities for this company under that act in certain circumstances. These are detailed in disclosures made in the financial statements of the parent company as filed with Companies House. The Directors, having considered the provisions of the Act, the uncertainty over how and when these provisions will be implemented and their impact on the Company conclude that it is not appropriate for a provision to be included in these Financial Statements.