# Almacantar Limited

## Report and Financial Statements

## 31 December 2020

Company Registration Number 07038904

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## Officers and professional advisors

| | |
|---|---|
| **Directors** | M R Hussey<br>J R S Paul<br>K Hersel<br>H Chichester |
| **Company Secretary** | Richard Painter |
| **Registered Office** | 3 Quebec Mews<br>London<br>W1H 7NX |
| **Auditors** | Ernst & Young LLP<br>1 More London Place<br>London<br>SE1 2AF |

## Strategic Report

### Principal activity

The principal activity of Almacantar Limited is the provision of advisory and administrative services to other entities within the wider Almacantar group, the ultimate parent company of which is Almacantar Group Limited.

In addition to the above, Almacantar Limited is the sole shareholder of three companies which provide property development management services to fellow Almacantar group entities. These companies are listed below:

- Almacantar Centre Point Construction Limited – development manager for the Centre Point refurbishment. Commenced trading during 2015,
- Almacantar Marble Arch Construction Limited – development manager for the Marble Arch Place and The Bryanston redevelopments. Commenced trading during 2016,
- Almacantar Edgware Construction Limited – development manager for the Lyons Place redevelopment. Commenced trading during 2016.

The companies noted above are remunerated on an arm's length basis.

### Likely future developments in the business

The Directors do not anticipate that the Company's activities will change in the foreseeable future.

### Key Performance Indicators ("KPIs")

The Directors believe the primary KPIs are profit before tax and net assets. The Company results are detailed below:

| | 2020<br>£ | 2019<br>£ | Change<br>£ |
|---|---|---|---|
| Profit before Tax | **4,322,915** | 250,605 | 4,072,310 |
| Net Assets | **17,254,347** | 12,880,971 | 4,373,376 |

### Principal risks and uncertainties

The Company is exposed to a number of risks, with the key risks arising from its ability to generate sufficient income through the provision of property investment advisory services and support services with other group companies. The Directors are responsible for managing these risks.

**Credit risk:** The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company has amounts due from other group members in respect of fees for the provision of property investment advisory services and support services. Credit risks arise when the Company is unable to recover these amounts. In order to mitigate such risks, the Company maintains regular communication with fellow group companies to ensure the projects continue to meet their objectives to ensure these fees are able to be paid. Management expect full recovery of all receivable balances.

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

**Liquidity risk:** The Company has a commitment to pay all suppliers as agreed. Liquidity risks arise when the Company is unable to meet its short-term financial demands. All costs relating to salaries and administrative expenditure are funded by fee income received for the provision of property investment advisory services and support services earned from fellow group companies. Management are satisfied that there is sufficient liquidity in the Company at year-end to meet these demands.

**Contractual risk:** In order to meet its day-to-day operational requirements, the Company engages with a wide range of suppliers, increasing its exposure to contractual risk in the event these suppliers do not deliver as expected. Should such issues arise, the Company may be exposed to cost overruns or an inability for its employees to perform their duties which could lead to delayed progress on the activities of the wider Almacantar group. In order to mitigate this risk, management regularly monitors and reviews performance of its suppliers.

### Statement by the Directors in performance of their statutory duties in accordance with section 172 Companies Act 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the company.

The Board of Directors of Almacantar Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out above) in the decisions taken during the year ended 31 December 2020.

We believe our role in creating space for Central London to thrive relates not only to our buildings, but also to the people who live and work there and what and how we contribute to the wider public realm and community.

As part of their induction a Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent advisor. It is important to recognise that in an organisation such as ours, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company.

## Strategic report (continued)

**Statement by the Directors in performance of their statutory duties in accordance with section 172 Companies Act 2006 (continued)**

The following paragraphs summarise how the Directors fulfil their duties:

***Risk Management***
As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks that we face, and that we continue to evolve our approach to risk management. Please refer to the 'Principal risks and uncertainties' section for details on how we manage our risk environment.

The Board regularly undertakes an in-depth review of the Company's strategy, including the business plan. Once approved by the Board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions, and also the future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of various stakeholders, the consequences of its decisions in the long term and its long-term reputation.

***Our People***
The Company is committed to be a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. Our employees are fundamental to the delivery of our business. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

The Company has a well-developed structure through which it engages regularly with the employees to discuss and understand matters concerning employees.

***Business Relationships***
Our strategy prioritises organic growth, driven by cross-selling to existing customers or agents and bringing new customers into the Company. To do this, we develop and maintain strong customer or agent relationships. We value all of our suppliers and have multi-year contracts with our key suppliers. We also expect our suppliers to comply with good standard and practices, such as those relating to environmental responsibility, modern slavery, data protection, human rights and ethics.

***Community and Environment***
The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

## Strategic report (continued)

**Statement by the Directors in performance of their statutory duties in accordance with section 172 Companies Act 2006 (continued)**

The Company undertakes a number of charitable and community projects and during the year the Company contributed a total of £159,694 to support these activities. For each of our development projects, we partnered with at least one local charity as the Company is a firm believer of supporting the local community above and beyond the regulations that are imposed on us by each local council / borough.

***Shareholders***
The Board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue, whether with major institutional investors, private or employee shareholders. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised properly considered.

## Business review and outlook

The COVID-19 outbreak has presented the Company with unexpected challenges throughout the financial year. However, Almacantar Limited is a part of a well capitalised group with net assets of £1,023,582,900.

The Company has stress tested for potential downside scenarios associated with COVID-19, including any potential impact on arrears, and is confident that the Company is well positioned to withstand any current dislocations the pandemic may cause. Moreover, the Company is well funded, with cash and cash equivalents on its balance sheet of £12,992,995 as at 31 December 2020.

The Company has grown significantly over the last 10 years and we are proud of our achievements. Whilst there will be broader market challenges in 2021 and beyond, not least as the UK exits the EU, with new government policy directives including changes to labour access, trade regulations and movement of goods, we firmly believe that London remains a destination of choice for capital, talent and tourism.

The Company will continue to invest and develop key talent and products to enhance its services to customers and will continue to put increased resources into systems and processes to improve the way the Company operates. The Directors remain confident that the Almacantar business model and proposition for customers is relevant in the current environment, and continue to believe that the Company has an exceptional platform from which to continue to build a market presence that delivers for customers, employees and shareholders alike.

Signed on behalf of the Board

**J R S Paul**
Director

23.06.2021

3 Quebec Mews
London
W1H 7NX

## Directors' Report

The Directors submit their Annual Report together with the audited financial statements for the year ended 31 December 2020.

The Company has performed in line with expectations, and the Directors are satisfied with the position at the end of the year.

The financial statements have been prepared on a going concern basis. The Directors intend for the Company to continue its activities for the foreseeable future and are satisfied that the Company has access to the resources required to meet all current and future commitments.

The results for the Company are shown on the Income Statement on page 14.

Charitable donations totalling £159,694 were made during the year (2019: £78,300).

The Directors do not propose a dividend for the year ended 31 December 2020 (2019: £nil).

**Directors**
The Directors of the Company who served during the year are noted on page 2.

**Principal activities**
The principal activities of the Company are stated in the Strategic Report.

**Engagement with suppliers, customers and others in a business relationship**
Director's engagement with suppliers, customers and others in a business relationship with the Company has been included in Strategic Report.

**Going concern**
The Company acts as the operational platform for the Almacantar Group, housing specialist skills, competencies and functions that are provided to the separate entities that hold the real estate assets and associated debt.

The Company recognised a profit of £4.4m for the year ended 31 December 2020 (2019: £0.3m), had net assets of £17.3m as at 31 December 2020 (2019: £12.9m) and had net current assets of £15.1m (2019: £8.1m). Moreover, the Company is well funded, with cash and cash equivalents on its balance sheet of £13.0m as at 31 December 2020.

The Directors of the Company are required to consider the application of the going concern assumption and whether material uncertainties exist when approving the financial statements. The primary consideration is whether the Directors believe the Company will have sufficient liquidity for the period to 30 June 2022 ("the review period"). In performing their going concern assessment, the Directors have reviewed primary cash flow requirements for the review period under a base case and performed a severe stress test, both of which indicated that the Company would have sufficient financial resources for the review period. The stress test considered a severe downside of income from other group entities, all of which operate as separate assets and associated debt.

## Directors' report (continued)

### Going concern (continued)

The Directors of the Company also considered the financial position of the ultimate parent company, Almacantar Group Limited, which in its 2020 financial statements reported material uncertainties over going concern relating to debt arrangements in the wider group. The Company is not an obligor or guarantor to those external debt arrangements and does not have significant indebtedness to other entities in the group, and so the Directors have considered its Company's going concern assessment on a standalone basis. In this context the Directors believe that its financial resources would not be compromised. Nevertheless for clarity, a commitment letter has been obtained from Almacantar Group Limited, stating that it will not withdraw cash or other resources from the Company during the review period for use elsewhere in the Almacantar Group or make it available as security for borrowings for other group entities, in each case which could result in the Company being unable to meet its own obligations and continue in operational existence; and so it is the Directors' judgement that the Company's cash resources will remain available to meet obligations of the Company for the review period.

The Directors are therefore satisfied that there is a reasonable prospect that the Company will have sufficient cash resources to meet its current obligations, and furthermore, that adequate resources are available for the Company to continue in operational existence for the review period. Thus, the Directors have concluded that the going concern basis is appropriate for the Company's financial statements.

### Subsequent events

Information relating to events since the end of the reporting year are disclosed in the note 17 to the financial statements.

### Financial risk management and objectives

Information on financial risk management and objectives of the Company has been included in the Company Strategic Report.

### Likely future developments in the business

Information on likely future developments in the business of the Company has been included in the Company Strategic Report.

### Directors' indemnities

Directors of the Company are entitled to be indemnified by the Company against any liability, loss or expenditure incurred in connection with their duties, powers or office, to the extent permitted by statute. The appointments of Directors of the Company do not provide for compensation for the loss of office that occurs because of takeover.

### Payment policy

It is the Company's policy, in respect of all suppliers, to settle agreed outstanding accounts in accordance with terms and conditions agreed with suppliers' when placing orders.

## Directors' report (continued)

### Auditors and auditor information

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

At the next General Meeting, it will be proposed that new auditors be appointed in accordance with section 485 of the Companies Act 2006.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable United Kingdom laws and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with FRS 101 in conformity with the requirements of the Companies Act 2006.

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 year.

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

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- in respect of the Company financial statements, state whether 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; 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 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.

## Directors' report (continued)

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and Directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Signed on behalf of the Board

**J R S Paul** 23.06.2021
Director

3 Quebec Mews
London
W1H7NX

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMACANTAR LIMITED

### Opinion

We have audited the financial statements of Almacantar Limited for the year ended 31 December 2020 which comprise Income Statement, Statement of Financial Position, Statement of changes in equity and the related notes 1 to 17, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 until 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### 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 are 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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 strategic report or 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.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 9 and 10, 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.

***Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101, the Companies Act 2006, and UK building regulations and property law.

- We understood how Almacantar Limited is complying with those frameworks to the extent necessary to prevent misstatements in the financial statements by making enquiries of management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the Board of Directors, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We considered the policies and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations that could lead to material misstatements in the financial statements. Our procedures involved enquires of management, journal entry testing, with a focus on management initiated or top-side adjustments identified based on characteristics of journal posting date and times, account pairings, specific key words and phrases; and consideration of any specific bribery, corruption or other regulatory risk.

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

## Use of our report

This report is made solely to the 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.

Ernst & Young LLP

*Bob Forsyth (Senior statutory auditor)*
*for and on behalf of Ernst & Young LLP, Statutory Auditor*
*London*

24th June 2021

## Income Statement

*Year ended 31 December 2020*

| | Note | 2020<br>£ | 2019<br>£ |
|---|---|---|---|
| Revenue | 2 | **13,860,493** | 10,829,066 |
| Cost of sales | 3 | **(9,230,536)** | (10,398,357) |
| **Gross profit** | | **4,629,957** | 430,709 |
| Administrative expenditure | 4 | **(267,354)** | (205,406) |
| **Operating profit** | | **4,362,603** | 225,303 |
| Finance income | 5 | **14,155** | 25,302 |
| Finance expense | 6 | **(53,843)** | – |
| **Profit before taxation** | | **4,322,915** | 250,605 |
| Taxation | 7 | **50,461** | 94,263 |
| **Profit for the year** | | **4,373,376** | 344,868 |
| **Attributable to the parent company** | | **4,373,376** | 344,868 |

Notes on pages 17 to 30 form part of these financial statements.

All activities during the current year are derived from continuing operations.

There are no other items of comprehensive income in the current year or prior year and therefore no statement of comprehensive income is shown.

## Statement of Financial Position

31 December 2020

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 8 | **245,317** | 281,815 |
| Intangible assets | 9 | **50,976** | 70,068 |
| Investments in subsidiaries | 10 | **1,235,300** | 1,235,300 |
| Receivable from other group companies (non-current) | 11 | **--** | 3,229,018 |
| Right of use assets | 12 | **4,038,902** | -- |
| Rent deposit | | **149,685** | -- |
| | | **5,720,180** | 4,816,201 |
| **Current assets** | | | |
| Trade and other receivables | 11 | **5,782,175** | 3,637,798 |
| Cash and cash equivalents | | **12,992,995** | 5,110,303 |
| | | **18,775,170** | 8,748,101 |
| **Total Assets** | | **24,495,350** | 13,564,302 |
| **Current liabilities** | | | |
| Lease liabilities (current) | 13 | **(341,645)** | -- |
| Trade and other payables | 14 | **(3,345,808)** | (683,331) |
| | | **(3,687,453)** | (683,331) |
| **Non-current liabilities** | | | |
| Lease liabilities (non-current) | 13 | **(3,553,550)** | -- |
| | | **(3,553,550)** | -- |
| **Total Liabilities** | | **(7,241,003)** | (683,331) |
| **Net assets** | | **17,254,347** | 12,880,971 |
| **Equity** | | | |
| Share capital | 15 | **21,188,569** | 21,188,569 |
| Retained earnings | | **(3,934,222)** | (8,307,598) |
| **Total equity attributable to shareholders of the company** | | **17,254,347** | 12,880,971 |

Notes on pages 17 to 30 form part of these financial statements.

The financial statements of Almacantar Limited, registered number 07038904, were approved by the Board of Directors on 23.06.2021

Signed on behalf of the Board of Directors.

**J R S Paul**
Director

## Statement of changes in equity

Year ended 31 December 2020

| Company | | Share Capital | Retained Earnings | Shareholders' equity |
|---|---|---|---|---|
| | | £ | £ | £ |
| **Total equity at 1 January 2020** | 15 | **21,188,569** | **(8,307,598)** | **12,880,971** |
| Profit for the year | | -- | **4,373,376** | **4,373,376** |
| **Total equity at 31 December 2020** | | **21,188,569** | **(3,934,222)** | **17,254,347** |
| **Total equity at 1 January 2019** | | 21,188,569 | (8,652,466) | 12,536,103 |
| Profit for the year | | -- | 344,868 | 344,868 |
| **Total equity at 31 December 2019** | | 21,188,569 | (8,307,598) | 12,880,971 |

*Share capital*
This represents issued and fully paid-up share capital.

*Retained earnings*
This represents cumulative accumulated profits and losses of the Company since incorporation.

Notes on pages 17 to 30 form part of these financial statements.

## Notes to the financial statements

### 1. Accounting policies

*Corporate Information*
Almacantar Limited was incorporated and registered in the United Kingdom on 13 October 2009 under the Companies Act 2006 as a private company limited by shares.

The ultimate parent company of Almacantar Limited is Almacantar Group Limited.

The financial statements have been drawn for the year ended 31 December 2020.

*Basis of preparation*
The Company meets the definition of a qualifying entity under FRS 101 and has undergone a transition from IFRS to FRS 101 for the year ended 31 December 2020. This transition is not considered to have had a material effect on the financial statements. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard and has therefore not provided:

- A Statement of Cash Flows and related disclosures
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
- Disclosures in relation to the objectives, policies and process for managing capital
- Disclosure of the effect of future accounting standards not yet adopted
- Related party transactions entered into with other wholly owned members of the Group
- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
- Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Where relevant, equivalent disclosures in accordance with IFRS have been given in the group accounts of Almacantar Group Limited which is the smallest and largest consolidated group which includes the Company that are prepared. The group accounts are available to the public and can be obtained from Companies House.

The financial statements of Almacantar Limited have been prepared on a historical cost basis and in accordance with FRS 101 and with the Companies Act 2006.

The functional currency of the Company is Sterling; this is the currency of the primary economic environment in which the Company operates.

The accounting policies adopted by the Company are consistent with those of the previous financial year, as amended to reflect the adoption of new standards, amendments and interpretations which became effective during the year.

*Exemption from preparation of consolidated financial statements*
The financial statements contain information about Almacantar Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of Almacantar Group Limited.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

*Going Concern*
The Company acts as the operational platform for the Almacantar Group, housing specialist skills, competencies and functions that are provided to the separate entities that hold the real estate assets and associated debt.

The Company recognised a profit of £4.4m for the year ended 31 December 2020 (2019: £0.3m), had net assets of £17.3m as at 31 December 2020 (2019: £12.9m) and had net current assets of £15.1m (2019: £8.1m). Moreover, the Company is well funded, with cash and cash equivalents on its balance sheet of £13.0m as at 31 December 2020.

The Directors of the Company are required to consider the application of the going concern assumption and whether material uncertainties exist when approving the financial statements. The primary consideration is whether the Directors believe the Company will have sufficient liquidity for the period to 30 June 2022 ("the review period"). In performing their going concern assessment, the Directors have reviewed primary cash flow requirements for the review period under a base case and performed a severe stress test, both of which indicated that the Company would have sufficient financial resources for the review period. The stress test considered a severe downside of income from other group entities, all of which operate as separate assets and associated debt.

The Directors of the Company also considered the financial position of the ultimate parent company, Almacantar Group Limited, which in its 2020 financial statements reported material uncertainties over going concern relating to debt arrangements in the wider group. The Company is not an obligor or guarantor to those external debt arrangements and does not have significant indebtedness to other entities in the group, and so the Directors have considered its Company's going concern assessment on a standalone basis. In this context the Directors believe that its financial resources would not be compromised. Nevertheless for clarity, a commitment letter has been obtained from Almacantar Group Limited, stating that it will not withdraw cash or other resources from the Company during the review period for use elsewhere in the Almacantar Group or make it available as security for borrowings for other group entities, in each case which could result in the Company being unable to meet its own obligations and continue in operational existence; and so it is the Directors' judgement that the Company's cash resources will remain available to meet obligations of the Company for the review period.

The Directors are therefore satisfied that there is a reasonable prospect that the Company will have sufficient cash resources to meet its current obligations, and furthermore, that adequate resources are available for the Company to continue in operational existence for the review period. Thus, the Directors have concluded that the going concern basis is appropriate for the Company's financial statements.

*New and amended IFRS standards that are effective for the current year*
There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the Company.

*Significant accounting judgements, estimates and assumptions*
When applying the Company's accounting policies, the Directors make judgements, estimates and assumptions which may affect the financial statements. The judgements, estimates and assumptions made in the preparation of the financial statements are considered to be reasonable. However, actual outcomes may differ from those anticipated.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

*Judgements*

Recovery of receivables

In the course of preparing the financial statements, the Directors consider the recoverability of receivable balances, the most significant being amounts owed by other group companies in respect of services provided for £5,933,463. The Directors believe that the outstanding amounts will be settled.

*Estimates*

Taxation

Deferred tax assets and liabilities require management estimate in determining the amounts, if any, to be recognised. In particular, estimate is required when assessing the extent to which deferred tax assets should be recognised, taking into account the expected timing and level of future taxable income. Deferred tax assets are only recognised when management believe they will be recovered against future taxable profits.

Forecast cashflows

Important estimates with respect to future cash flows are incorporated within the Company's going concern projections each year. These cash flows include estimates of future inflows from fees receivable for administrative and advisory services.and future outflows based on assumptions relating to administrative expenditure.

Provision for expected credit losses of receivables

The Company uses a provision matrix to calculate expected credit losses (ECLs) for receivables. The provision rates are inherently subjective due to the forward-looking nature of the assessments. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

*Revenue*

Revenue comprises charges to other Group companies for property investment advisory services and support services, together with other fee income. Property investment advisory services and support services revenue is recorded as income over time in the period in which the services are rendered. Revenue is recognised over time because the other Group companies benefit from the services as soon as they are rendered by the Company.

*Property, plant and equipment*

Leasehold property comprises fit-out and other improvements to office premises.

Equipment comprises computers and office furniture.

These assets are stated at cost less accumulated depreciation and are depreciated on a straight-line basis over five years.

# Notes to the financial statements (continued)

## 1. Accounting policies (continued)

*Intangible assets*

Intangible assets relate to the Company's software and is measured on initial recognition at cost. The Company only recognises acquired intangible assets. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with a definite useful life are amortised on a straight-line basis over five years.

*Investments is subsidiaries*

Investments in subsidiaries are stated at cost less provision for impairment. On an annual basis, the Company assesses if there are any indicators of impairment by comparing the net asset values of each subsidiary to their carrying amount. If the net asset value is lower than the carrying amount, the Company assesses if the investment is impaired.

If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised.

*Financial instruments*

a) Trade and other receivables

Trade and other receivables are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method. This is reduced by appropriate allowances for impairment or other estimated irrecoverable amounts.

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other highly liquid investments that are readily convertible into a known amount of cash.

c) Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

*Impairment of non-financial assets*
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of up to five years. A long-term growth rate is calculated and applied to project future cash flows for the periods not covered in these budgets and forecast.

Impairment losses of continuing operations are recognised in the income statement in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist, or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

*Leases*
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

(i) Right-of-use assets
The Company recognises right-of-use assets with respect to the office lease at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are based on the present value of future minimum lease payments over the lease term beginning at the commencement date. The future minimum lease payments are discounted using an incremental borrowing rate derived from information available at the lease commencement date as our leases generally do not include implicit rates. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, being 10 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

*Tax*
Income tax expense comprises tax currently payable and deferred tax.

a) Current taxation

Current income tax assets and liabilities are measured at the amounts expected to be paid to or recovered from taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

b) Deferred taxation

Deferred tax assets are recognised for the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the carry forward of unused tax losses can be utilised for an indefinite period.

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

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

*Long term incentive payments*
Long term incentive payments are measured at the fair value of the liability. Until the liability is settled, the Company is required to remeasure this liability at the end of each reporting period and at the date of settlement, with any changes in value recognised in profit and loss for the period.

### 2. Revenue

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Property investment advisory services and support services fee income | **13,846,596** | 10,829,066 |
| Fee income | **9,900** | -- |
| Other income | **3,997** | -- |
| **Total revenue** | **13,860,493** | 10,829,066 |

Property investment advisory services and support services fee income relates to services provided to fellow group companies during the year.

There are no effects of a significant financing component since, at contract inception, the period between the services being provided and when the customer pays for the service will be one year or less.

### 3. Cost of sales

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Salaries and other payroll costs | **6,896,513** | 8,119,180 |
| Legal and other professional costs | **867,606** | 808,779 |
| Office and other administrative costs | **1,466,417** | 1,470,398 |
| | **9,230,536** | 10,398,357 |

# Notes to the financial statements (continued)

## 3. Cost of sales (continued)

The aggregate payroll costs of employees were:

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Wages and salaries | **5,936,765** | 7,009,930 |
| Social security & other costs | **959,748** | 1,109,250 |
| | **6,896,513** | 8,119,180 |

The average number of employees of the company was 43 (2019: 45).

| | | |
|---|---|---|
| Directors' remuneration: | | |
| Emoluments | **2,008,434** | 2,599,028 |
| Remuneration of the highest paid director | **608,639** | 895,432 |
| Aggregate value of contributions paid to a pension scheme for directors | **5,000** | 8,704 |

Included within wages and salaries is a credit of £88,088 (2019: £69,705) in respect of the Company's long-term incentive plan. Awards issued to employees vest after 3 years and are settled in cash according to the movement in the net asset value of the group headed by Almacantar Group Limited.

*Audit fees*
The audit fee payable to Ernst & Young LLP for the Company in respect of the audit of the 2020 financial statements is £14,520 (2019: £21,900).

The Company has taken advantage of the exemption in accordance with The Companies (Model Articles) Regulations 2008. not to disclose fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company.

## 4. Administrative expenditure

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Depreciation | **272,660** | 154,261 |
| Other expenses | **(20,306)** | 19,338 |
| Abortive investment costs | **15,000** | 31,807 |
| **Administrative expenditure** | **267,354** | 205,406 |

*Depreciation*
Included in depreciation is a charge of £133,167 (2019: £nil) on the Company's right-of-use assets.

## 5. Finance income

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Interest received on short-term bank deposits | **14,155** | 25,302 |
| | **14,155** | 25,302 |

## Notes to the financial statements (continued)

### 6. Finance expense

| | 2020 £ | 2019 £ |
|---|---|---|
| Finance costs on lease liability | **53,843** | – |
| | **53,843** | – |

### 7. Taxation

a) Tax charged in the Income Statement

| | 2020 £ | 2019 £ |
|---|---|---|
| **Current tax** | | |
| UK corporation tax | **(50,461)** | (94,263) |
| **Total current tax charge at 19% (2019: 19%)** | **(50,461)** | (94,263) |

b) Factors affecting the current tax charge in the Income Statement for the year

| | 2020 £ | 2019 £ |
|---|---|---|
| Profit before taxation | **4,322,915** | 250,605 |
| Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%) | **821,354** | 47,615 |
| **Factors affecting charge:** | | |
| Expenses not deductible for tax purposes | **50,947** | 76,817 |
| Tax losses utilised for which no deferred tax asset was previously recognised | **(872,301)** | (78,990) |
| Adjustment in respect of prior periods | **(50,461)** | (139,705) |
| **Total tax charge in the income statement (note (a))** | **(50,461)** | **(94,263)** |

c) Factors that may affect future tax charges

The UK corporation tax rate reduced from 20% to 19% from April 2017. The corporation tax for the year commencing April 2021 will continue to be 19%.

d) Deferred tax

At the Statement of Financial Position date, the Company has unused tax losses of £759,342 (2019: £5,350,402) that do not expire and are available to reduce future taxable profits. No deferred tax asset has been recognised in respect of these tax losses because of the uncertainty of future profits (2019: £nil).

## Notes to the financial statements (continued)

### 8. Property, plant and equipment

| | Leasehold property £ | Equipment £ | Total £ |
|---|---|---|---|
| **Historical cost** | | | |
| **At 1 January 2019** | **1,010,701** | **804,359** | **1,815,060** |
| Additions | 3,185 | 59,069 | 62,254 |
| Transferred to intangible assets | – | (95,462) | (95,462) |
| **At 31 December 2019** | **1,013,886** | **767,966** | **1,781,852** |
| Additions | – | 83,902 | 83,902 |
| **At 31 December 2020** | **1,013,886** | **851,868** | **1,865,754** |
| **Accumulated depreciation** | | | |
| **At 1 January 2019** | **(812,087)** | **(559,083)** | **(1,371,170)** |
| Charge for the year | (65,179) | (83,092) | (148,271) |
| Transferred to intangible assets | – | 19,404 | 19,404 |
| **At 31 December 2019** | **(877,266)** | **(622,771)** | **(1,500,037)** |
| Charge for the year | (52,935) | (67,465) | (120,400) |
| **At 31 December 2020** | **(930,201)** | **(690,236)** | **(1,620,437)** |
| **Net book value** | | | |
| 31 December 2019 | 136,620 | 145,195 | 281,815 |
| **31 December 2020** | **83,685** | **161,632** | **245,317** |

The basis of measurement for carrying value is depreciated historic cost.

## Notes to the financial statements (continued)

### 9. Intangible assets

| | Computer software £ | Total £ |
|---|---|---|
| **Historical cost** | | |
| **At 1 January 2019 (Transferred from Property Plant and equipment)** | **59,705** | **59,705** |
| Additions | 35,757 | 35,757 |
| **At 31 December 2019** | **95,462** | **95,462** |
| Additions | – | – |
| **At 31 December 2020** | **95,462** | **95,462** |
| **Accumulated amortisation** | | |
| **At 1 January 2019 (Transferred from Property Plant and equipment)** | **(19,404)** | **(19,404)** |
| Charge for the year | (5,990) | (5,990) |
| **At 31 December 2019** | **(25,394)** | **(25,394)** |
| Charge for the year | (19,092) | (19,092) |
| **At 31 December 2020** | **(44,486)** | **(44,486)** |
| **Net book value** | | |
| 31 December 2019 | 70,068 | 70,068 |
| **31 December 2020** | **50,976** | **50,976** |

During the year, computer software with a total historic cost of £nil (2019: £95,462) and accumulated amortisation of £nil (2019: £25,394) has been transferred from Property, plant and equipment (note 8).

### 10. Investments in subsidiaries

| Subsidiary undertaking | Date of incorporation | Equity interest 2020 £ | | 2019 £ | |
|---|---|---|---|---|---|
| **Direct holding** | | | | | |
| Almacantar Centre Point Construction Ltd | 18 October 2013 | 1,070,100 | 100% | 1,070,100 | 100% |
| Almacantar Marble Arch Construction Ltd | 26 February 2016 | 165,100 | 100% | 165,100 | 100% |
| Almacantar Edgware Construction Ltd | 09 March 2016 | 100 | 100% | 100 | 100% |
| | | **1,235,300** | | **1,235,300** | |

The country of incorporation for all subsidiary undertakings is the United Kingdom. The principal place of business for all subsidiary undertakings is 3 Quebec Mews, London, W1H 7NX.

## Notes to the financial statements (continued)

### 11. Trade and other receivables

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Receivable from other group companies (non-current) | -- | 3,229,018 |
| **Receivable from other group companies (non-current)** | -- | 3,229,018 |

Amounts receivable from other group companies (non-current) represent transfer pricing fees receivable from Almacantar Marble Arch Construction Limited and Almacantar Edgware Construction Limited.

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Trade receivables | **283** | 39,663 |
| VAT recoverable | **191,119** | 52,769 |
| Receivable from other group companies (current) | **5,305,769** | 3,076,818 |
| Prepayments | **103,095** | 160,410 |
| Other debtors | **181,909** | 308,138 |
| **Trade and other receivables** | **5,782,175** | 3,637,798 |

There is no provision for doubtful debts against trade receivables, VAT recoverable or other debtors (2019: £nil). All amounts receivable from other group companies (current) are short-term and repayable on demand. The Company has an expected credit loss provision of £39,298 (2019: £59,920) recognised against amounts receivable from other group companies.

### 12. Right-of-use assets

The right-of-use assets and lease liabilities (see note 13) of the Company relate to leased office space at Quebec Mews, for which the lease term is 10 years. The leases are measured using the present value of future lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| | Office space<br>£ | Total<br>£ |
|---|---|---|
| At 1 January 2020 | -- | -- |
| Office space right-of-use-asset | 4,172,069 | **4,172,069** |
| Amortisation expenses | (133,167) | **(133,167)** |
| **At 31 December 2020** | 4,038,902 | **4,038,902** |

## Notes to the financial statements (continued)

### 13. Lease liabilities

The lease liabilities of the Company relate to leased office space at Quebec Mews (see note 12).

| | Minimum lease payments £ | Interest component £ | Principal £ |
|---|---|---|---|
| **31 December 2020** | | | |
| **Maturity** | | | |
| Less than one year | 500,000 | (158,355) | 341,645 |
| Between two and five years | 2,000,000 | (481,227) | 1,518,773 |
| More than five years | 2,248,288 | (213,511) | 2,034,777 |
| **Finance lease liability** | **4,748,288** | **(853,092)** | **3,895,195** |

The Company recognised interest expense on lease liabilities of £53,843 in 2020 (2019: £Nil).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | Office space £ | Total £ |
|---|---|---|
| At 1 January 2020 | – | – |
| Office space lease liability | 4,123,360 | **4,123,360** |
| Accretion of interest | 53,843 | **53,843** |
| Payment | (282,008) | **(282,008)** |
| **At 31 December 2020** | 3,895,195 | **3,895,195** |

### 14. Trade and other payables

| | 2020 £ | 2019 £ |
|---|---|---|
| Trade payables | **66,666** | 11,615 |
| Other taxation and social security | **259,190** | 242,122 |
| Payables to other group companies | **274,784** | 2,555 |
| Accruals | **670,073** | 376,578 |
| Other payables | **2,075,095** | – |
| Taxation | – | 50,461 |
| **Trade and other payables** | **3,345,808** | 683,331 |

All amounts payable to other group companies are short-term and repayable on demand.

Included within accruals is an amount of £44,759 (2019: £93,503) payable in respect of the Company's long-term incentive plan.

Other payables relates to the VAT payable on income derived from property investment advisory and support services provided to fellow group companies during the year.

## Notes to the financial statements (continued)

### 15. Share Capital

| | 2020 £ | 2019 £ |
|---|---|---|
| Allotted, called up and fully paid: | | |
| 21,188,569 (2019: 21,188,569) | | |
| Ordinary shares each of nominal value £1 | **21,188,569** | 21,188,569 |
| **Share capital** | **21,188,569** | 21,188,569 |

Authorised, issued and fully paid share capital comprises 21,188,569 (2019: 21,188,569) ordinary shares with a nominal value of £1 each.

### 16. Related party transactions

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

The Company's ultimate parent and controlling party, and largest consolidated group, is Almacantar Group Limited, incorporated in the United Kingdom. Almacantar Group Limited's registered address is 3 Quebec Mews, London, WH1 7NX.

Key management personnel are considered to be the Directors of the Company. Directors' remuneration is disclosed in note 3.

### 17. Subsequent events

There are no events after the reporting date that could significantly impact the Company's financial statements.