

**Acorn FM Holdings (UK) Limited**  
**Annual report and financial statements**  
**For the year ended 30 June 2021**



Registered in England  
Company Registration Number: 07608659

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS**

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#### **THE BOARD OF DIRECTORS**

Simon David Austin Davies

Farhad Mawji Karim

Adam Khisro Mir Shah

#### **COMPANY SECRETARY**

Intertrust (UK) Limited

1 Bartholomew Lane

London, EC2N 2AX

United Kingdom

#### **REGISTERED OFFICE**

40 Berkeley Square

London, W1J 5AL

United Kingdom

#### **INDEPENDENT AUDITORS**

Deloitte LLP

Statutory Auditor

1 New Street Square

London, EC4A 3HQ

United Kingdom

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **DIRECTORS' REPORT**

**For the year ended 30 June 2021**

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The Directors present their Directors' report together with the audited financial statements of Acorn FM Holdings (UK) Limited ("the Company"), for the year ended 30 June 2021. In preparing the annual report, the Directors have taken advantage of the exemption for small companies in accordance with Section 414 B of the Companies Act 2006 and therefore do not present a separate Strategic Report.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company is a holding company of the entities it controls which consist of Real Estate Investment Management and Real Estate Ownership through the investment portfolio, fund co-investments and developments.

The Company recorded a loss during the year of A\$56,000 (2020: A\$45,000). The Company has net liabilities of A\$343,000 (2020: A\$552,000).

#### *Future Prospects*

The Company will continue to hold residual interest in investments in the foreseeable future. The directors expect the general level of activity to decrease in the forthcoming year as a result of the underlying real estate investments held by the onshore subsidiaries that have been disposed.

#### **DIVIDENDS**

The Directors have not recommended a dividend for the financial years ended 30 June 2021 and 30 June 2020.

#### **GOING CONCERN**

The Directors acknowledge whilst there is a current year loss of A\$56,000 (2020: A\$45,000) and a net working capital deficiency position of A\$343,000 (2020: A\$552,000) they believe that this will not impact the going concern basis and have reasonable expectation that the company has access to sufficient cash and financial resources from its immediate and ultimate controlling company and is expected to continue in operational existence for at least twelve months from date of signing these financial statements. The immediate and ultimate holding company has also given an undertaking to provide continuing financial support, at least through twelve months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **GEOPOLITICAL UNCERTAINTY**

Geopolitical risk has become a key driver of uncertainty and will remain one over the foreseeable future. In advance of the end of the transition period following the UK's exit from the European Union ("Brexit"), the operational impacts of this event were evaluated across human resources, counterparty relationships, supply chains, tax, macroeconomic and regulatory policy and were deemed to have a negligible impact on the long-term sustainability of the Company. The longer-term impact of Brexit will continue to be monitored by the Company as the EU and UK formulate bilateral agreements.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **DIRECTORS' REPORT**

**For the year ended 30 June 2021**

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#### **COVID-19 AND GLOBAL ECONOMIC MARKET CONDITIONS**

As the novel coronavirus ("COVID-19") pandemic has continued to evolve, our primary focus has been the safety and wellbeing of our employees and their families, as well as the seamless functioning of the firm in serving our limited partner investors who have entrusted us with their capital, and our shareholders. In accordance with local government guidance and social distancing recommendations, the majority of our employees globally have been working remotely. Our technology infrastructure has proven to be robust and capable of supporting this model. We have implemented rigorous protocols for remote work across the firm, including increased cadence of group calls and updates, and frequent communication across leadership and working levels. We are leveraging technology to ensure our teams stay connected and productive, and that our culture remains strong even in these unusual circumstances. While we are generally not meeting with our clients in person, we continue to actively communicate with our clients through videoconference, teleconference and email. Investment committees continue to convene as needed, and the firm continues to operate across investment, asset management and corporate support functions. The directors have closely monitored the economic market conditions most relevant to the Company and assessing our plans against these changing market conditions.

During the year, employees across different offices have returned to office on a voluntary basis, subject to local government guidelines while consistent with testing, contact-tracing and social distancing and other safety protocols in place. We continue to closely monitor applicable public health and government guidance and plan for a more extensive return to office in light of continued progress on vaccine production and distribution.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk is considered to be around financial risk and uncertainties of the company on performance of unit trusts to which the company acts as a trustee. These risks are managed by regularly monitoring the activities of the unit trusts.

#### **FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies and details of exposure to liquidity risk, credit risk and foreign currency risk are disclosed in note 14 to the financial statements (page 28 to 30).

#### **DIRECTORS**

The Directors who, unless otherwise stated, served throughout the year ended 30 June 2021 and up to the date of signing the financial statements were as follows:

Simon David Austin Davies  
Farhad Mawji Karim  
Adam Khisro Mir Shah

None of the directors held a beneficial interest in the shares of the Company during the year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **DIRECTORS' REPORT**

**For the year ended 30 June 2021**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by UK. 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, International Accounting Standard 1 requires directors to:

- properly select and apply accounting policies;
- 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 IFRSs 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; and
- make an assessment of the company's ability to continue as a going concern.

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.

#### **AUDITORS**

Each of the person who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors, Deloitte LLP are unaware; and
- the Director has taken all the steps that he ought to have taken 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.

The Directors confirm that they have complied with the above requirements throughout the year and subsequently.

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

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**DIRECTORS' REPORT**

**For the year ended 30 June 2021**

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**INDEPENDENT AUDITORS**

The auditors, Deloitte LLP, will be proposed for reappointment at the Annual General Meeting in accordance with Section 485-488 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Simon David Austin Davies

Director

13 December 2021

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN FM HOLDINGS (UK) LIMITED**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Acorn FM Holdings (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law in conformity with the requirements of the Companies Act 2006 and United Kingdom adopted international accounting standards.

##### **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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

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

##### **Other information**

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



## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN FM HOLDINGS (UK) LIMITED**

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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 respect of these matters.

#### **Responsibilities of directors**

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

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

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

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include breaches of the Money Laundering Regulations and contractual agreements whose effects should be considered while preparing financial statements.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN FM HOLDINGS (UK) LIMITED (continued)**

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

As a result of performing the above, we identified the greatest potential for fraud in the valuation of investments, and our specific procedures performed to address it are described below:

- Valuation of Investments- We have assessed the valuation of investments by verifying and challenging the management around the valuation's key inputs and assumptions.

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

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

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

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

##### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

We have nothing to report in respect of these matters.

## **Acorn FM Holdings (UK) Limited**


Company registration number: 07608659

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN FM HOLDINGS (UK) LIMITED (continued)**

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#### **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.



Yasir Aziz, ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
13 December 2021

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 30 June 2021**

|  | Notes | 2021<br>A\$'000    | 2020<br>A\$'000    |
|--|-------|--------------------|--------------------|
| <b>CONTINUING OPERATIONS</b>                 |       |                    |                    |
| Investment Income*                           |       | - *                | - *                |
| Net foreign exchange (loss)/gain             |       | (7)                | 5                  |
| Administrative expenses                      |       | <u>(49)</u>        | <u>(50)</u>        |
| <b>LOSS BEFORE INCOME TAX</b>                | 3     | (56)               | (45)               |
| Income tax                                   | 5     | <u>-</u>           | <u>-</u>           |
| <b>Total comprehensive loss for the year</b> |       | <u><u>(56)</u></u> | <u><u>(45)</u></u> |

The notes on pages 16 to 31 form an integral part of these financial statements.

\*Denotes amount equivalent of A\$6 (2020: A\$1).

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2021

|                                | Notes | 2021<br>A\$'000 | 2020<br>A\$'000 |
|--------------------------------|-------|-----------------|-----------------|
| <b>ASSETS</b>                  |       |                 |                 |
| <b>Non-current asset</b>       |       |                 |                 |
| Investments                    | 8     | -               | -               |
| <b>Total non-current asset</b> |       | -               | -               |
| <b>Current assets</b>          |       |                 |                 |
| Cash and cash equivalents      | 6     | 296             | 37              |
| Loans and receivables          | 7     | 1               | 3               |
| <b>Total current assets</b>    |       | 297             | 40              |
| <b>Total assets</b>            |       | 297             | 40              |
| <b>LIABILITIES</b>             |       |                 |                 |
| <b>Current liability</b>       |       |                 |                 |
| Payables                       | 9     | (640)           | (592)           |
| <b>Total current liability</b> |       | (640)           | (592)           |
| <b>Total liability</b>         |       | (640)           | (592)           |
| <b>Net liability</b>           |       | (343)           | (552)           |
| <b>Capital and reserves</b>    |       |                 |                 |
| Share capital                  | 10    | 1,597           | 1,332           |
| Share premium                  |       | 1,131           | 1,131           |
| Retained losses                |       | (3,071)         | (3,015)         |
| <b>Shareholders' deficit</b>   |       | (343)           | (552)           |

The notes on pages 16 to 31 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on [date] and were signed on its behalf by:



Simon David Austin Davies  
Director  
13 December 2021

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2021

|  | <b>Share<br/>capital<br/>A\$'000</b> | <b>Share<br/>premium<br/>A\$'000</b> | <b>Retained<br/>losses<br/>A\$'000</b> | <b>Total<br/>A\$'000</b> |
|--|--------------------------------------|--------------------------------------|--|--------------------------|
| <b>Balance at 30 June 2019</b>                               | 1,332                                | 1,131                                | (2,970)                                | (507)                    |
| Total comprehensive loss for the year                        | -                                    | -                                    | (45)                                   | (45)                     |
| <b>Balance at 30 June 2020</b>                               | 1,332                                | 1,131                                | (3,015)                                | (552)                    |
| Total comprehensive loss for the year                        | -                                    | -                                    | (56)                                   | (56)                     |
| <b>Transactions with owners in their capacity as owners:</b> |                                      |                                      |  |                          |
| Contributions of equity, net of transaction costs            | 265                                  | -                                    | -                                      | 265                      |
|  | 265                                  | -                                    | -                                      | 265                      |
| <b>Balance at 30 June 2021</b>                               | 1,597                                | 1,131                                | (3,071)                                | (343)                    |

The notes on pages 16 to 31 form an integral part of these financial statements.

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2021

|  | Notes | 2021<br>A\$'000   | 2020<br>A\$'000    |
|--|-------|-------------------|--------------------|
| <b>Cash flow from operating activities</b>                   |       |                   |                    |
| Loss before tax  |       | (56)              | (45)               |
| Adjustments for:   |       |                   |                    |
| Net foreign exchange (gain)/loss                             |       | <u>6</u><br>(50)  | <u>(5)</u><br>(50) |
| Changes in working capital                                   |       |                   |                    |
| Decrease/(Increase) in loans and receivables                 |       | 2                 | (1)                |
| Increase/(Decrease) in payables                              | 9     | <u>36</u>         | <u>(29)</u>        |
| Total changes in working capital                             |       | 38                | (30)               |
| <b>Net cash inflow/(outflow) from operating activities</b>   |       | <u>(12)</u>       | <u>(80)</u>        |
| <b>Cash flow from financing activity</b>                     |       |                   |                    |
| Proceeds on issue of shares                                  | 10    | <u>265</u>        | -                  |
| <b>Net cash inflow from financing activity</b>               |       | <u>265</u>        | -                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  |       | 253               | (80)               |
| Cash and cash equivalents at the beginning of the year       |       | 37                | 112                |
| Effect of exchange rate changes on cash and cash equivalents |       | <u>6</u>          | <u>5</u>           |
| <b>Cash and cash equivalents at the end of the year</b>      | 6     | <u><u>296</u></u> | <u><u>37</u></u>   |

The notes on pages 16 to 31 form an integral part of these financial statements.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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#### **1 General information**

Acorn FM Holdings (UK) Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 40 Berkeley Square, London, United Kingdom, W1J 5AL.

The Company financial statements are presented in Australian dollars (A\$) (the Company's functional currency).

The principal activity of the Company is a holding company of the entities it controls which consist of Real Estate Investment Management and Real Estate Ownership through the investment portfolio, fund co-investments and developments.

#### **2 Accounting policies**

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

##### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with UK Endorsed International Financial Reporting Standards ("IFRSs"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value. IFRSs also require an alternative treatment to the historic cost convention in certain circumstances.

The Company has taken the exemption applicable to companies subject to the small companies regime from preparing the consolidated financial statements.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 23.

##### **New and amended standards adopted by the Company**

On 1 July 2020, the Company adopted all new and amendments to standards that are mandatory for application for the financial year. The adoption of these new standards and amendments to standards does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.



## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **2 Accounting policies (continued)**

### **2.1 Basis of preparation (continued)**

#### **New and amended standards adopted by the Company (continued)**

The following amendments have been issued but are not effective for the financial year beginning July 2020 and have not been adopted early:

- Amendments to IFRS 9, IFRS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective beginning or after 1 January 2022);
- Amendments to IFRS Standards Annual Improvements to IFRS Standards 2018-2020 (effective beginning or after 1 January 2023);
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective beginning or after 1 January 2023) and
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective beginning or after a date to be determined)

The management anticipates that the adoption of the above amendments to IFRS in future periods will not have a material impact on the financial statements of the Company in the period of its initial adoption.

#### **Going concern**

The directors consider the principal risk to be financial risk and around the performance of the unit trusts. They believe that the Company has sufficient procedures in place to manage its risks successfully, and has access to sufficient cash and financial resources from its immediate and ultimate controlling company and is expected to continue in operational existence for at least twelve months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statement.

As at 30 June 2021, the Company is in a net working capital deficiency position of US\$343,000 (2020: US\$552,000) and net loss position of A\$56,000 (2020: A\$45,000). The financial statements have been prepared on a going concern basis as the directors are satisfied that financial support from the immediate and ultimate holding company will be available if required to enable the Company to pay its debt when they fall due.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 23.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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#### **2.2 Summary of other significant accounting policies**

##### **Financial instruments**

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Financial assets**

The classification of financial assets is based on two criteria: the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

##### **Investment in subsidiary**

Investment in subsidiary is measured at cost less impairment. The cost is measured by reference to the nominal value of the shares issued. Any premium is ignored.

##### **Investment in Trusts**

Investments in Trusts are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

## **Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **2 Accounting policies (continued)**

### **2.2 Summary of other significant accounting policies (continued)**

#### **Financial assets (continued)**

##### ***Financial assets at fair value through profit or loss ("FVTPL")***

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any foreign exchange gains and losses on the financial asset.

##### ***Financial assets at amortised cost***

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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#### **Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost and subject to impairment under IFRS 9. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the report date.

The Company recognises loss allowance for financial instrument which the credit risk has not increased significantly or determined to have low credit risk at reporting date based on 12 month ECL.

The Company considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

Lifetime ECL is recognised for financial assets for which the credit risk has significantly increased since initial recognition. The Company presumes that there is a significant increase in credit risk when the contractual payments are more than 30 days past due.

#### **Definition of default**

The Company considers that default has occurred when the creditor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### **Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

#### **Write-off policy**

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **2 Accounting policies (continued)**

### **2.2 Summary of other significant accounting policies (continued)**

#### Measurement and recognition of expected credit losses

For financial assets, the expected credit loss measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

#### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **Financial liabilities**

##### Financial liabilities at amortised cost

Financial liabilities that are measured at amortised cost are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the effect of the discounting is immaterial.

##### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **2 Accounting policies (continued)**

### **2.2 Summary of other significant accounting policies (continued)**

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

In the preparation of the Company's statement of cash flows, cash and cash equivalents represent short term liquid investments which are readily realisable within three months or less.

#### **Share capital**

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

#### **Taxation**

##### **Current Tax**

The expense or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the reporting date.

##### **Deferred Tax**

Deferred tax is recognised using the statement of financial position liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the Directors review the Company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the years in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to the Statement of comprehensive income, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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## **2 Accounting policies (continued)**

### **2.2 Summary of other significant accounting policies (continued)**

#### **Foreign currency**

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars ("A\$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents and all other foreign exchange gain and losses are presented in the statement of comprehensive income within 'net foreign exchange gain/loss'.

Translation differences on non-monetary financial assets and liabilities such as investments held at fair value through profit or loss are recognised in the statement of comprehensive income as part of the fair value gain or loss.

### **2.3 Critical judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2.2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources including the fair value of investments. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

#### **(a) Critical judgements in applying the Company's accounting policies**

There are no critical accounting judgements for the year ended 30 June 2021.

#### **(b) Key sources of estimation uncertainty**

There are no significant key sources of estimation uncertainty at the end of the reporting period.

**Acorn FM Holdings (UK) Limited**

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**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2021**

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**3 Loss before income tax**

Loss before taxation is stated after charging auditors' remuneration for the year of A\$16,884 (2020: A\$16,744). Non-audit services provided by the auditors in the current year amounted to A\$11,572 (2020: A\$933).

**4 Employees and Directors**

The Company had no employees during the current or prior years.

The Directors have not been remunerated for services to the Company in the current or prior years.

**5 Income tax**

The income tax varied from the amount of income tax benefit determined by applying the UK income tax rate of 19% (2020: 19%) to loss before tax as a result of the following differences:

|  | 2021<br>A\$'000 | 2020<br>A\$'000 |
|--|-----------------|-----------------|
| Loss before income tax expense   | (56)            | (45)            |
| Tax on loss at standard UK corporation tax rate of 19%                                       | (11)            | (9)             |
| Tax effect of amounts which are not deductible / (taxable)<br>in calculating taxable income: |                 |                 |
| Tax losses not recognised for deferred   | 11              | 9               |
| Income tax expense / (credit) for the year   | -               | -               |

No liability to UK corporation tax arose during the current financial year and the prior financial year.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%.

A deferred tax asset of A\$10,650 (2020: A\$8,541) in respect of tax losses arising during the year, which has been calculated using an effective tax rate of 19% (2020: 19%), has not been recognised in the financial statements due to the fact that the likelihood of realisation fails to meet the 'more likely than not criterion'.

**6 Cash and cash equivalents**

|              | 2021<br>A\$'000 | 2020<br>A\$'000 |
|--------------|-----------------|-----------------|
| Cash at bank | 296             | 37              |



**Acorn FM Holdings (UK) Limited**

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**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2021****7 Receivables**

|                   | <b>2021<br/>A\$'000</b> | <b>2020<br/>A\$'000</b> |
|-------------------|-------------------------|-------------------------|
| Prepayment        | 1                       | 1                       |
| Other receivables | -                       | 2                       |
|                   | <u>1</u>                | <u>3</u>                |

**8 Investments**

|                                | <b>2021</b> | <b>2020</b> |
|--------------------------------|-------------|-------------|
| Balance brought forward        | -           | -           |
| Unrealised loss on revaluation | -           | -           |
| Trade investments              | -           | -           |
| At fair value                  | <u>-</u>    | <u>-</u>    |

**8.1 Shares in subsidiaries**

The Company has investments in the following subsidiary undertakings:

| <b>Subsidiaries:</b>                        | <b>Country of<br/>Incorporation</b> | <b>Holding</b> | <b>Principal<br/>activities</b> | <b>Type of<br/>share</b> |
|---|-------------------------------------|----------------|---------------------------------|--------------------------|
| 151 Property Pty<br>Limited*                | Australia                           | 100%           | Asset management                | Ordinary                 |
| 151 Property<br>Commercial                  | Australia                           | 100%           | Fund management                 | Ordinary                 |
| 151 Property Holdings<br>Pty Limited        | Australia                           | 100%           | Holding company                 | Ordinary                 |
| 151 Property<br>Development                 | Australia                           | 100%           | Fund management                 | Ordinary                 |
| Property Mezzanine<br>Fund                  | Australia                           | 100%           | Capital services                | Ordinary                 |
| 151 Property Core Plus<br>Management        | Australia                           | 100%           | Fund management                 | Ordinary                 |
| Marsden Point Pty<br>Limited                | Australia                           | 100%           | Property investment             | Ordinary                 |
| 151 Property Fund<br>Management Pty Limited | Australia                           | 100%           | Fund management                 | Ordinary                 |
| Valad Unitholder Mackay<br>Turf Farm Trust  | Australia                           | 100%           | Non-trading                     | Ordinary                 |

**Acorn FM Holdings (UK) Limited**

Company registration number: 07608659

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2021**

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**8 Investments (continued)****8.1 Shares in subsidiaries (continued)**

| Subsidiaries:                            | Country of<br>Incorporation | Holding | Principal<br>activities | Type of<br>share |
|--|-----------------------------|---------|-------------------------|------------------|
| NZ Storage Holding<br>Trust No 1         | Australia                   | 100%    | Non-trading             | Ordinary         |
| NZ Storage Holding<br>Trust No 2         | Australia                   | 100%    | Non-trading             | Ordinary         |
| Auckland Club Tower<br>Trust             | Australia                   | 100%    | Non-trading             | Ordinary         |
| Australian Retail Centres<br>Pty Limited | Australia                   | 100%    | Non-trading             | Ordinary         |
| Noosa Holding Trust                      | Australia                   | 100%    | Non-trading             | Ordinary         |
| Bridge Street Custodians<br>Pty Limited  | Australia                   | 100%    | Non-trading             | Ordinary         |
| 151 Property Services<br>Pty Limited     | Australia                   | 100%    | Non-trading             | Ordinary         |
| Acorn FM Trusco Pty                      | Australia                   | 100%    | Non-trading             | Ordinary         |
| Acorn FM Finance Pty<br>Limited          | Australia                   | 100%    | Holding debt            | Ordinary         |

Only company denoted (\*) are directly held by Acorn FM Holdings (UK) Limited.

The registered address of the subsidiary undertakings incorporated in Australia is Level 6, 151 Castlereagh Street, Sydney, Australia, NSW 2000.

The registered address of the subsidiary undertakings incorporated in United Kingdom is 40 Berkley Square, London, United Kingdom, W1J 5AL.

**8.2 Trade investments**

| Fair Value          | 2021<br>A\$ | 2020<br>A\$ |
|---------------------|-------------|-------------|
| At 1 July / 30 June | -           | -           |

The trade investments comprise a unit-holding of 0.0001% in Acorn FM Unit Trust.

**Acorn FM Holdings (UK) Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2021

**9 Payables**

|   | <b>2021</b><br><b>A\$'000</b> | <b>2020</b><br><b>A\$'000</b> |
|---|-------------------------------|-------------------------------|
| Amounts owed to subsidiaries  | 546                           | 534                           |
| Amounts owed to Blackstone Real Estate Advisors L.P.<br>(see note 12) | 35                            | 14                            |
| Accruals  | 59                            | 44                            |
| <b>Total</b>  | <b>640</b>                    | <b>592</b>                    |

All amounts owed to subsidiary and related party are interest free, carry no security and are repayable on demand. The balances of amounts due to Blackstone Real Estate Advisors L.P. are unsecured, non-interest bearing and repayable on demand.

**10 Share capital**

|   | <b>No. of shares</b> | <b>A\$'000</b> |
|---|----------------------|----------------|
| <b>2021</b>   |                      |                |
| <b>Authorised, allotted, called up and fully paid</b> |                      |                |
| Beginning of financial year                           | 833,126              | 1,332          |
| Issued during the financial year                      | 148,379              | 265            |
| <b>End of financial year</b>                          | <b>981,505</b>       | <b>1,597</b>   |
| <b>2020</b>   |                      |                |
| <b>Authorised, allotted, called up and fully paid</b> |                      |                |
| Beginning of financial year / end of financial year   | 833,126              | 1,332          |

The Company has one class of shares having equal rights.

**11 Dividends and distributions**

The Directors have not recommended a dividend in the current or prior year.

**12 Related party transactions**

Blackstone Real Estate Advisors L.P. is a related party of the Company by virtue of common control. The outstanding amount due to Blackstone Real Estate Advisors L.P. at the reporting date amounted to \$35,485 (2020: \$14,011).

Other than those disclosed in notes 7 and 9, the Company did not enter into any other material related party transactions with its related parties during the year.

No director or key management personnel received remuneration from the Company for their services provided to the Company.

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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#### **13 Controlling entity**

As at 30 June 2021, the Company's immediate and ultimate controlling party is Blackstone Real Estate Partners VI-VD LP., a partnership registered at 40 Berkeley Square, London, United Kingdom, W1J 5AL.

Blackstone Real Estate Partners VI-VD LP. is the largest and smallest group which includes the Company for which financial statements are prepared.

Copies of the largest and smallest group financial statements are available at 40 Berkeley Square, London, United Kingdom, W1J 5AL.

#### **14 Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by a central treasury function on a Group-wide basis under policies approved by the Board of Directors. The central treasury function identifies, evaluates and hedges financial risks. The Board has approved written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

##### **Market risk**

###### *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures. Management has set up a policy to require companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

**Acorn FM Holdings (UK) Limited**

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**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2021****14 Financial risk management (continued)****Market risk (continued)***Foreign exchange risk (continued)*

The Company's financial assets and liabilities are primarily denominated in foreign currencies such as USD and GBP. Therefore, the Company is exposed to foreign currency risks.

|  | <b>British<br/>Pound<br/>A\$'000</b> | <b>United<br/>States<br/>Dollar<br/>A\$'000</b> |
|--|--------------------------------------|---|
| <b><u>As at 30 June 2021</u></b>           |                                      |   |
| <b>Financial asset</b>                     |                                      |   |
| Cash and cash equivalents                  | -                                    | 295   |
|  | <u>-</u>                             | <u>295</u>                                      |
| <b>Financial liabilities</b>               |                                      |   |
| Payables subsidiaries                      | (452)                                | -   |
| Accrued expenses                           | (51)                                 | (8)   |
| Payables related party                     | -                                    | (35)  |
|  | <u>(503)</u>                         | <u>(43)</u>                                     |
| <b>Net financial (liabilities) / asset</b> | <u>(503)</u>                         | <u>252</u>                                      |
| <b><u>As at 30 June 2020</u></b>           |                                      |   |
| <b>Financial assets</b>                    |                                      |   |
| Cash and cash equivalents                  | -                                    | 36  |
| Other receivables                          | 2                                    | -   |
|  | <u>2</u>                             | <u>36</u>                                       |
| <b>Financial liabilities</b>               |                                      |   |
| Payables subsidiaries                      | (440)                                | -   |
| Accrued expenses                           | (33)                                 | (11)  |
| Payables related party                     | -                                    | (14)  |
|  | <u>(473)</u>                         | <u>(25)</u>                                     |
| <b>Net financial (liabilities) / asset</b> | <u>(471)</u>                         | <u>11</u>                                       |

**Acorn FM Holdings (UK) Limited**

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**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2021**

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**14 Financial risk management (continued)****Market risk (continued)***Foreign exchange risk (continued)*

Reasonable possible change in foreign exchange rate against functional currency of the Company would result in the increase/(decrease) in the profit/loss before taxations as follows:

|                      | Reasonable<br>possible shift<br>in rate<br>2021 | Impact to<br>profit or loss<br>2021<br>A\$'000 | Reasonable<br>possible shift<br>in rate<br>2020 | Impact to profit or<br>loss<br>2020<br>A\$'000 |
|----------------------|---|--|---|--|
| British Pound        | +/-5%   | 25   | +/-5%   | 24   |
| United States Dollar | +/-5%   | 13   | +/-5%   | 1  |

**Credit risk**

Credit risk refers to the risk that a counterparty default on its contractual obligations resulting in a financial loss to the Company.

The credit risk on cash and bank balances is limited because they are held with creditworthy financial institutions.

**Liquidity risk**

The Company is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The Company manages its liquidity requirements with the use of both short and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom position which is used to demonstrate funding adequacy for at least a 12 month period.

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

**Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to ensure financial covenants contained in the bank facility agreements are met throughout the year.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## **Acorn FM Holdings (UK) Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

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#### **15 Events occurring after reporting**

The ongoing novel coronavirus ("COVID-19") pandemic has caused disruption in global economies. More recently, broad-based economic recovery and activity has accelerated following meaningful progress on vaccine distribution, the easing of shutdowns and other restrictions. Nevertheless, there is continued uncertainty regarding the trajectory of continuing recovery, particularly given the strength of the Delta variant. Accordingly, this recovery remains uneven with dispersion across sectors and regions. The estimates and assumptions underlying these financial statements are based on the information available as of 31 December 2020. The estimates and assumptions include judgements about the financial markets and economic conditions which have changed, and may continue to change, over time.

Subsequent events have been evaluated through to 13 December 2021, the date that these financial statements were available to be issued. Other than what has been noted above, there were no events that require recognition or disclosure in the financial statements.