

Coast Holdings (UK) Limited

Annual report and financial statements

For the year ended 31 December 2021

Registered in England and Wales
Company Registration Number: 07834323



Coast Holdings (UK) Limited
Company registration number: 07834323
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

| <u>CONTENTS</u> | <u>PAGE</u> |
|---|--------------------|
| Directors, officers and professional service providers | 1 |
| Directors' report | 2-5 |
| Independent auditors' report to the members Coast Holdings (UK) Limited | 6-8 |
| Statement of comprehensive income | 9 |
| Statement of financial position | 10 |
| Statement of changes in equity | 11 |
| Statement of cash flows | 12 |
| Notes to the financial statements | 13-24 |

Coast Holdings (UK) Limited

Company registration number: 07834323

DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS

For the year ended 31 December 2021

THE BOARD OF DIRECTORS

Simon David Austin Davies

Angus Henesey Lennox

(Appointed on 17 January 2022)

Adam Khisro Mir Shah

Farhad Mawji Karim

(Resigned on 17 January 2022)

COMPANY SECRETARY

Intertrust (UK) Limited

1 Bartholomew Lane

London, EC2N 2AX

United Kingdom

REGISTERED OFFICE

1 Bartholomew Lane

London, EC2N 2AX

United Kingdom

INDEPENDENT AUDITORS

Deloitte LLP

Statutory Auditor

1 New Street Square

London, EC4A 3HQ

United Kingdom

Coast Holdings (UK) Limited

Company registration number: 07834323

DIRECTOR'S REPORT

For the year ended 31 December 2021

The Directors present their Directors' report and audited financial statements of Coast Holdings (UK) Limited ("the Company") for the year ended 31 December 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 continuing activity of the Company is to act as a trustee to Acorn FM Unit Trust No. 2 and its subsidiary Subtrust No. 1 Trust, as well as trustee to Devlin Street Hold Trust and its subsidiary Devlin Street Trust. There have been no significant changes in the Company's state of affairs during the year ended 31 December 2021.

Acorn FM Unit Trust No. 2 and its subsidiary Subtrust No. 1 Trust, as well as Devlin Street Hold Trust and its subsidiary Devlin Street Trust, are controlled by Blackstone Real Estate Partners VII-VD LP, the Company's ultimate parent entity.

The Company recorded a loss during the year of A\$55,350 (2020: A\$39,325). As at 31 December 2021, the Company has used net cash of A\$52,351 (2020: generated net cash of A\$120,551).

Future Prospects

There is not expected to be any change in the activity of the Company.

DIVIDENDS

The Directors have not recommended a dividend for the financial year ended 31 December 2021 and 31 December 2020.

GOING CONCERN

The Directors acknowledge whilst there is a current year loss of A\$55,350 (2020: A\$39,325) and a net working capital position of A\$13,158 (2020: net working capital deficiency position A\$71,830) 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. 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.

Coast Holdings (UK) Limited

Company registration number: 07834323

DIRECTOR'S REPORT

For the year ended 31 December 2021

COVID-19 AND GLOBAL ECONOMIC MARKET CONDITIONS

As the novel coronavirus ("COVID-19") pandemic has continued to evolve, Blackstone Group's 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 risks and uncertainties of the Company relate to the performance of the unit trusts to which the Company acts as trustee. These risks are managed by regularly monitoring the activities of the unit trusts.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators are not necessary for an understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies and details of exposure to liquidity risk and foreign currency risk are disclosed in note 14 to the financial statements (pages 22 to 24).

DIRECTORS

The Directors who, unless otherwise stated, served throughout the year ended 31 December 2021 and up to the date of signing the financial statements were as follows:

Simon David Austin Davies

Angus Henesey Lennox

Adam Khisro Mir Shah

Farhad Mawji Karim

(Appointed on 17 January 2022)

(Resigned on 17 January 2022)

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 financial year and remain in force at the date of this report.

Coast Holdings (UK) Limited

Company registration number: 07834323

DIRECTOR'S REPORT

For the year ended 31 December 2021

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 applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 that directors:

- 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 the 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 steps that he ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is 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.

Coast Holdings (UK) Limited

Company registration number: 07834323

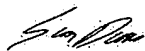
DIRECTOR'S REPORT

For the year ended 31 December 2021

INDEPENDENT AUDITORS

The auditors, Deloitte LLP, will be proposed for reappointment at the Board 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

21 September 2022

Coast Holdings (UK) Limited

Company registration number: 07834323

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COAST HOLDINGS (UK) LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 16.

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 IFRSs as adopted by the European Union.

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.

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

We have nothing to report in this regard.

Coast Holdings (UK) Limited

Company registration number: 07834323

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COAST HOLDINGS (UK) LIMITED (CONTINUED)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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. 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 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; 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.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COAST HOLDINGS (UK) LIMITED (CONTINUED)

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and 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 has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

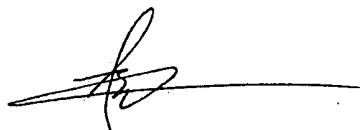
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

Use of our report

This report is made solely to the company's directors, 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 directors 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 directors 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
21 September 2022

Coast Holdings (UK) Limited

Company registration number: 07834323

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

| | Notes | 2021 A\$ | 2020 A\$ |
|---|-------|-----------------|-----------------|
| CONTINUING OPERATIONS | | | |
| Unrealised loss on investment at fair value through profit and loss | | (6) | (85) |
| Net foreign exchange gain | | 953 | 7,853 |
| Write-back impairment loss on investments | | 273 | - |
| Administrative expenses | | <u>(56,570)</u> | <u>(47,093)</u> |
| LOSS BEFORE INCOME TAX | 3 | (55,350) | (39,325) |
| Income tax | 5 | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the year | | <u>(55,350)</u> | <u>(39,325)</u> |
| Attributable to: | | | |
| Owners of Coast Holdings (UK) Limited | | <u>(55,350)</u> | <u>(39,325)</u> |

The notes on pages 13 to 24 form an integral part of these financial statements.

Coast Holdings (UK) Limited

Company registration number: 07834323

STATEMENT OF FINANCIAL POSITION


As at 31 December 2021

| | Notes | 2021 A\$ | 2020 A\$ |
|--|-------|-----------------|------------------|
| ASSETS | | | |
| Non-current asset | | | |
| Investments | 8 | 436 | 138 |
| Total non-current asset | | 436 | 138 |
| Current assets | | | |
| Cash and cash equivalents | 6 | 99,024 | 151,375 |
| Other receivables | 7 | 2 | 2 |
| Total current assets | | 99,026 | 151,377 |
| Total assets | | 99,462 | 151,515 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Amount owned to group undertakings | 9 | - | (139,069) |
| Payables | 9 | (85,868) | (84,138) |
| Total current liabilities | | (85,868) | (223,207) |
| Total liabilities | | (85,868) | (223,207) |
| Net assets/(liabilities) | | 13,594 | (71,692) |
| Capital and reserves | | | |
| Share capital | 10 | 248,854 | 178,132 |
| Share premium | 11 | 69,914 | - |
| Retained losses | | (305,174) | (249,824) |
| Shareholders' surplus/(deficit) | | 13,594 | (71,692) |

The notes on pages 13 to 24 form an integral part of these financial statements.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 21 September 2022 and were signed on its behalf by:



Simon David Austin Davies
Director
21 September 2022

Coast Holdings (UK) Limited

Company registration number: 07834323

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

| | Notes | Share capital A\$ | Share premium | Retained losses A\$ | Total A\$ |
|---------------------------------------|--------|-------------------------|------------------|---------------------------|-----------------|
| Balance at 1 January 2020 | | 178,132 | - | (210,499) | (32,367) |
| Total comprehensive loss for the year | | - | - | (39,325) | (39,325) |
| Balance as at 31 December 2020 | | 178,132 | - | (249,824) | (71,692) |
| Total comprehensive loss for the year | | - | - | (55,350) | (55,350) |
| Issuance of share capital | 10, 11 | 70,722 | 69,914 | - | 140,636 |
| Balance as at 31 December 2021 | | 248,854 | 69,914 | (305,174) | 13,594 |

The notes on pages 13 to 24 form an integral part of these financial statements.

Coast Holdings (UK) Limited

Company registration number: 07834323

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

| | Notes | 2021 A\$ | 2020 A\$ |
|---|-------|-----------------|-----------------|
| Cash flow from operating activities | | | |
| Loss before tax | | (55,350) | (39,325) |
| Adjustment for: | | | |
| Unrealised foreign exchange gain | | (276) | (8,395) |
| Unrealised loss on investment at fair value through profit and loss | | 6 | 85 |
| Write-back on impairment loss | | (273) | - |
| Increase/Decrease in working capital | | | |
| Decrease in other receivables | | - | 1,751 |
| (Decrease)/Increase in other payables and accruals | | (2,577) | 28,801 |
| Total changes in working capital | | (2,577) | 30,552 |
| Net cash used in operating activities | | (58,470) | (17,083) |
| Cash flow from Investing activity | | | |
| Purchase of investments | | (31) | - |
| Net cash used in investing activity | | (31) | - |
| Cash flow from Financing activity | | | |
| Amount (paid)/due to immediate holding company | | (140,605) | 139,069 |
| Issuance of share capital | | 140,636 | - |
| Net cash generated from financing activity | | 31 | 139,069 |
| Net (decrease)/increase in cash and cash equivalents | | (58,470) | 121,986 |
| Cash and cash equivalents at the beginning of the year | | 151,375 | 30,824 |
| Effect of exchange rate changes on cash and cash equivalents | | 6,119 | (1,435) |
| Cash and cash equivalents at the end of the financial year | 6 | 99,024 | 151,375 |

The notes on pages 13 to 24 form an integral part of these financial statements.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. General information

Coast 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 continuing activity of the Company is to act as a trustee to Acorn FM Unit Trust No. 2 and its subsidiary Subtrust No. 1 Trust, as well as trustee to Devlin Street Hold Trust and its subsidiary Devlin Street Trust. There have been no significant changes in the Company's state of affairs during the year ended 31 December 2021.

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 years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with European Union ("EU") 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 18 and 19.

New and amended standards adopted by the Company

On 1 January 2021, 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.

- Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7; and
- Amendments to IFRS 16 in respect of COVID-19 Related Rent Concessions beyond 30 June 2021

New and revised IFRS Standards issued but not yet effective

The following amendments have been issued but are not effective for the financial year beginning January 2022 and have not been adopted early:

- Amendments to IFRS Standards Annual Improvements to IFRS Standards 2018-2020 (effective beginning or after 1 January 2022);
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract (effective beginning or after 1 January 2022);
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective beginning or after 1 January 2022);
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (effective beginning or after 1 January 2022);

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 December 2021

2. Accounting policies (continued)**2.1 Basis of preparation (continued)**

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective beginning or after 1 January 2023);
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (effective beginning or after 1 January 2023);
- Amendments to IAS 8 Definition of Accounting Estimate (effective beginning or after 1 January 2023);
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective beginning or after 1 January 2023); and
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 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.

Basis of consolidation

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

Going concern

The directors consider the principal risk to be financial risk and 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 31 December 2021, the Company is in a net working capital position of A\$13,158 (2020: net working capital deficiency position A\$71,830) and net loss position of A\$55,350 (2020: A\$39,325). A large part of the loss is in relation to unrealised fair value movements. 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.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 December 2021

2. Accounting policies (continued)**2.2 Summary of other significant accounting policies (continued)****Financial assets (continued)***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.

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. Fair value is determined in the manner described in Note 8.

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.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 December 2021

2. Accounting policies (continued)**2.2 Summary of other significant accounting policies (continued)***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.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Accounting policies (continued)

2.2 Summary of other significant accounting policies (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

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

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. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the statement of financial position

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.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Accounting policies (continued)

2.2 Summary of other significant accounting policies (continued)

Foreign currency (continued)

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 31 December 2021.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In estimating the fair value of the investment at fair value through profit or loss, management takes into consideration the ability of the real estate companies held, to obtain debt financing, operating results of the real estate companies, local market conditions, trading values and other factors that management deems appropriate. The use of different market assumptions and/or estimation methodologies may have a material effect on fair value. In the absence of readily determinable fair values, a significant degree of judgement is required by management which may significantly impact the resulting fair value. Whilst the management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the investments, it may not necessarily be the amount that the management would realise in a market exchange.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Accounting policies (continued)**2.3 Critical judgements in applying accounting policies and key sources of estimation uncertainty (continued)****(b) Key sources of estimation uncertainty (continued)**

The ongoing novel coronavirus ("COVID-19") pandemic and restrictions on certain non-essential businesses have caused disruption in global economies. Although an economic recovery is partially underway, it continues to be gradual, uneven, and characterized by meaningful dispersion across sectors and regions. This required management to make judgements about the impact of COVID-19 on financial markets and economic conditions, which is uncertain and may change over time. These judgements and estimates are based on the information available as of 31 December 2021 and were incorporated into the valuation process outlined herein.

The fair value of the trade investment is disclosed in Note 8.2.

3. Loss before taxation

Loss on ordinary activities before taxation is stated after charging auditors' remuneration for the year of A\$20,753 (2020: A\$15,576). There were no non-audit services provided by the auditors in either the current or prior year.

4. Employees and Directors

The Company did not have any employees during the current and prior years.

The Directors have not been remunerated for services to the Company at the current and 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 A\$ | 2020 A\$ |
|---|-----------------|-----------------|
| Loss before tax | <u>(55,350)</u> | <u>(39,325)</u> |
| Tax on loss at standard UK corporation tax rate of 19% (2020: 19%) | (10,517) | (7,472) |
| Tax effect of amounts which are not deductible / (taxable) in calculating taxable income: | | |
| Tax losses not recognised for deferred tax | <u>10,517</u> | <u>7,472</u> |
| Income tax expenses / (credit) for the year | <u>-</u> | <u>-</u> |

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

The 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\$10,517 (2020: A\$7,472) in respect of tax losses arising during the year, of which has been calculated using an effective tax rate of 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'.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. Cash and cash equivalents

| | 2021 A\$ | 2020 A\$ |
|--------------|-------------|-------------|
| Cash at bank | 99,024 | 151,375 |

7. Other receivables

| | 2021 A\$ | 2020 A\$ |
|----------------------------------|-------------|-------------|
| Amount owed from holding company | 2 | 2 |

8. Investments

Investments comprise the following:

| | 2021 A\$ | 2020 A\$ |
|------------------------|-------------|-------------|
| Shares in subsidiaries | 273 | - |
| Trade investments | 163 | 138 |
| Total | 436 | 138 |

The Company has investments in the following subsidiary undertakings:

| Subsidiary undertakings | Principal place of business | Principal activity | Proportion of ownership | Cost price A\$ | 2021 | Cost price A\$ | 2020 |
|-----------------------------------|-----------------------------|--------------------|-------------------------|----------------|--------------------------------|----------------|--------------------------------|
| | | | | | Cost price less impairment A\$ | | Cost price less impairment A\$ |
| Acorn FM Trusco II Pty Limited | Australia | Trustee | 100% ordinary shares | 100 | 73 | 100 | - |
| Devlin Street Hold TC Pty Limited | Australia | Trustee | 100% ordinary shares | 100 | 100 | 100 | - |
| Devlin Street Sub TC Pty Limited | Australia | Trustee | 100% ordinary shares | 100 | 100 | 100 | - |
| Devlin Street ST Pty Limited | Australia | Trustee | 100% ordinary shares | 100 | - | 100 | - |
| | | | | 400 | 273 | 400 | - |

8.1 Investments

The Company considers the value of investments to be at cost and impairment have been recognised in respect of these investments.

As at 31 December 2021, management has assessed the investment valuation of Acorn FM Trust II Pty Limited, Devlin Street Hold TC Pty Limited, Devlin Street Sub TC Pty Limited and believe that the circumstances are no longer present. The investments in subsidiaries Acorn FM Trust II Pty Limited, Devlin Street Hold TC Pty Limited, Devlin Street Sub TC Pty Limited have been written back to its recoverable amount.

Both companies are directly held by the Company and their registered address is Seed Outsourcing Pty Ltd, Suite 6, Level 7, 122 Arthur Street, North Sydney NSW 2060.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8.2 Trade Investments

| Name of investments | Principal place of business | Proportion of ownership | 2021 | | 2020 | |
|-------------------------------|-----------------------------|-------------------------|----------------|-----------------------|----------------|-----------------------|
| | | | Cost price A\$ | Fair Market Value A\$ | Cost price A\$ | Fair Market Value A\$ |
| Acorn FM Unit Trust No. 2 (a) | Australia | 0.0001% ordinary units | 18 | 18 | 18 | 18 |
| Devlin Street Hold Trust (b) | Australia | 0.0001% ordinary units | 134 | 145 | 103 | 120 |
| | | | 152 | 163 | 121 | 138 |

In the opinion of the directors, the aggregate value of the company's investments is not less than the amount at which they are stated in the financial statements which is at fair value. The fair value of the Company's investment in the trust is estimated with reference to the net asset value of the trust multiplied by the Company's proportional ownership in the trust which in turn ultimately holds an investment in a real estate asset. The valuation of the real estate asset is based on fair value. All investments are categorised as level 3 in the fair value hierarchy.

9. Payables

| | 2021 A\$ | 2020 A\$ |
|---|-------------|-------------|
| Accruals | 44,848 | 31,638 |
| Amount due to immediate holding company | - | 139,069 |
| Intercompany payables (see note 13) | 41,020 | 39,494 |
| Other payables | - | 13,006 |
| Total | 85,868 | 223,207 |

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

10. Share Capital

| | No. of shares | A\$ |
|---|---------------|---------|
| 2021 | | |
| Authorised, allotted, called-up and fully paid | | |
| Beginning of financial year | 103,639 | 178,132 |
| Issued during the year | 39,857 | 70,722 |
| End of financial year | 143,496 | 248,854 |
| | No. of shares | A\$ |
| 2020 | | |
| Authorised, allotted, called-up and fully paid | | |
| Beginning of financial year/ end of financial year | 103,639 | 178,132 |

The Company has one class of ordinary shares having equal voting rights.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. Share premium

| | 2021 A\$ |
|---|---------------|
| Balance at 1 January | - |
| Premium arising on issue of equity shares | 69,914 |
| Balance at 31 December | <u>69,914</u> |

12. Dividends and distributions

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

13. 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 A\$41,020 (2020: A\$39,494).

Other than those disclosed in note 7, note 8 and note 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 in the current year or prior year.

14. Controlling entity

As at 31 December 2021, the Company's immediate and ultimate controlling party is Blackstone Real Estate Partners VII-VD LP, a company incorporated in the United Kingdom, and registered at 40 Berkeley Square, London, United Kingdom, W1J 5AL.

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

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

15. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange 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. The Company uses derivative financial instruments to hedge certain risk exposures.

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.

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. Financial risk management (continued)**15.1 Market risk****15.1.1 Foreign exchange risk**

The Company is exposed to foreign exchange risk arising from various currency exposures. Management has set up a policy to require the Company 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.

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.

| | British Pound A\$ | United States Dollar A\$ |
|---|----------------------------------|---|
| <u>As at 31 December 2021</u> | | |
| Financial asset | | |
| Cash and cash equivalents | - | 93,651 |
| | <u>-</u> | <u>93,651</u> |
| Financial liabilities | | |
| Payables | (30,701) | (55,167) |
| | <u>(30,701)</u> | <u>(55,167)</u> |
| Net financial (liabilities)/assets | <u>(30,701)</u> | <u>38,484</u> |
| <u>As at 31 December 2020</u> | | |
| Financial assets | | |
| Cash and cash equivalents | - | 146,002 |
| | <u>-</u> | <u>146,002</u> |
| Financial liability | | |
| Amount owned to group undertakings | - | (139,069) |
| Payables | (36,813) | (47,325) |
| | <u>(36,813)</u> | <u>(186,394)</u> |
| Net financial liabilities | <u>(36,813)</u> | <u>(40,392)</u> |

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 possible shift in rate 2021 | Impact to profit or loss 2021 A\$ | Reasonable possible shift in rate 2020 | Impact to profit or loss 2020 A\$ |
|----------------------|---|--|---|--|
| British Pound | +/- 5% | 1,535 | +/- 5% | 1,841 |
| United States Dollar | +/- 5% | 1,924 | +/- 5% | 2,020 |

Coast Holdings (UK) Limited

Company registration number: 07834323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. Financial risk management (continued)

15.2 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.

15.3 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 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.

15.4 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.

16. Events occurring after reporting date

The Company continues to carefully monitor the ongoing developments regarding the COVID-19 outbreak.

On 24 February 2022, Russian troops began a full-scale invasion of Ukraine and, as of the issuance date, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business actively globally (including in Australia in which the Company invests), and therefore could adversely affect the performance of the Company's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Company and the performance of its investments and operations, and the ability of the Company to achieve its investment objectives. However, there has not been any direct impact of this on the Company.

Subsequent events have been evaluated through to 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.