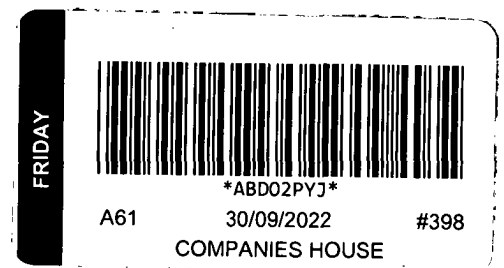


Registered number: 08953139

**STELLAR (PLUMMER HOUSE)
INVESTMENTS LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021



**LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	4	10	10
Investment property	5	32,690,000	31,270,000
		<u>32,690,010</u>	<u>31,270,010</u>
Current assets			
Debtors: amounts falling due within one year	6	1,403,896	1,610,471
Creditors: amounts falling due within one year	7	<u>(3,917,414)</u>	<u>(3,908,263)</u>
Net current liabilities		<u>(2,513,518)</u>	<u>(2,297,792)</u>
Total assets less current liabilities		30,176,492	28,972,218
Provisions for liabilities			
Deferred tax	8	<u>(1,080,802)</u>	<u>(545,322)</u>
Net assets		<u><u>29,095,690</u></u>	<u><u>28,426,896</u></u>
Capital and reserves			
Called up share capital	9	10	10
Revaluation reserve		8,841,817	8,337,138
Profit and loss account		<u>20,253,863</u>	<u>20,089,748</u>
		<u><u>29,095,690</u></u>	<u><u>28,426,896</u></u>

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Sean McKeown

S McKeown
Director

Date: 30 September 2022

The notes on pages 2 to 8 form part of these financial statements.

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Stellar (Plummer House) Investments Limited is a private company limited by shares and incorporated in England and Wales with registration number 08953139. Its registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

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

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

Management monitor the Company's working capital requirements and with the support of fellow group companies, the Directors consider it is appropriate to prepare the financial statements on a going concern basis. As referred to in note 10, the Company along with other group companies, has guaranteed bank borrowings by fixed and floating charges over the assets of the Company for a fellow group company and the amount covered by these guarantees totalled £199,017,867 at the balance sheet date. At the balance sheet date and subsequent to this, the Group had breached its loan's financial covenants in respect of historic and projected Debt Service Coverage Ratios and subsequently received a waiver from the lender in August 2022 covering the historic breaches to 30 June 2022 and amending the terms of the covenants for the upcoming quarters for testing under the loan agreement for the period to 31 December 2022. The Group also regularly updates an operating model which reviews the operations of the Group for the foreseeable future including the 12 months from the date of signing the financial statements and based on this it is anticipated that there will be no further breaches not already covered by the waiver currently in place.

The operating model and forecasts are also subject to the extent of the impact of the COVID-19 outbreak on the ongoing financial performance of the Group and this will depend on future outbreaks, related restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are uncertain and cannot be reliably predicted. This uncertainty may impact the Group in achieving the expected occupancy rates forecast in the operating model and the result of this is that there could be future breaches of the loans financial covenants within the next 12 months from the date of signing the financial statements. Whilst such breaches are currently not expected by management, in the instance of these occurring, management are confident that further waivers would be received from the lenders. However, based on the current information available, the Group's operating model and management's cashflow forecasts indicate that the Group will continue to have sufficient headroom to pay its lenders and suppliers as payments become due.

Due to the possibility of not achieving its loans financial covenants as a result of the Group being unable to attain its expected occupancy rates, there is a material uncertainty that exists that may cast significant doubt on the Company's ability to continue as a going concern. However, given the support of the lenders and anticipation that any further breaches of loan covenants would be waived and in addition that the Group operating model and management's cashflow forecasts indicate that with the support of other group companies that the Company will have sufficient headroom to pay its lenders and suppliers as payments become due, the Directors have concluded that the Company is a going concern and that they will continue in operational existence for the foreseeable future and for at least 12 months after the signing of the financial statements.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that may arise and reclassify fixed assets as current assets.

2.4 Revenue

Turnover represents rental income receivable and sale of services from property lettings. All properties are situated in the United Kingdom. Rental income is recognised on a straight line basis over the term of the lease. Any rental incentive or rent free period given is spread over the period of the lease. Sale of services is recognised at the point the service is provided and it is probable the Company will receive the previously agreed upon payment.

2.5 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

2.7 Investment property

Investment property is carried at fair value determined annually by the directors and has been based on valuations by third party valuers which were in accordance with the requirements of FRS102 and the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuations are primarily derived from comparable recent market transactions on an arm's length basis. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was nil (2020 - nil).

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	10
At 31 December 2021	<u>10</u>
Net book value	
At 31 December 2021	<u>10</u>
At 31 December 2020	<u>10</u>

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	31,270,000
Surplus on revaluation	1,420,000
At 31 December 2021	<u><u>32,690,000</u></u>

The valuation was made by the directors based on an external valuation report valuing the property as at 31 March 2021 and then updated by the directors to 31 December 2021. The valuation was in accordance with the requirements of FRS 102 and the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The valuers' opinions are primarily derived from comparable recent market transactions on an arm's length basis.

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	1,403,717	1,610,292
Other debtors	179	179
	<u>1,403,896</u>	<u>1,610,471</u>

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	3,910,214	3,902,263
Accruals and deferred income	7,200	6,000
	<u>3,917,414</u>	<u>3,908,263</u>

8. Deferred taxation

	2021	2020
	£	£
At beginning of year	(545,322)	180,761
Charged to profit or loss	(535,480)	(726,083)
At end of year	<u>(1,080,802)</u>	<u>(545,322)</u>

The provision for deferred taxation is made up as follows:

	2021	2020
	£	£
Accelerated capital allowances	408,769	339,671
Tax losses carried forward	1,167,458	856,715
Unrealisable gains on investment property	(2,657,029)	(1,741,708)
	<u>(1,080,802)</u>	<u>(545,322)</u>

STELLAR (PLUMMER HOUSE) INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

9. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
10,000 (2020 - 10,000) Ordinary shares of £0.001 each	10	10

10. Guarantees

The Company, along with other group companies, has guaranteed bank borrowings by fixed and floating charges over the assets of the Company for a fellow group company. At the period end the liabilities covered by these guarantees totalled £199,017,867 (2020 - £199,469,132).

11. Parent undertakings

Until 30 June 2021, the ultimate parent undertaking was Arlington Student Holdings (No.9) Limited, a company registered in Jersey. From 1 July 2021, the ultimate parent undertaking was ASAF (No.1) Limited, a company incorporated in Jersey.

Stellar Portfolio Limited is the largest and smallest group to prepare group accounts in which the results of the Company are included. Its registered office is 11 Bath Street, St Helier, Jersey, JE4 8UT.

12. Auditors' information

The full financial statements have been subject to audit. Attention was drawn to note 2.3 in the financial statements, which indicates uncertainty due to the impact of COVID-19 on the Company and the Group and that there are anticipated breaches of loan covenants in the next 12 months from signing the financial statements of a loan held by a Group company which are secured against the assets of the Company. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit was undertaken by Lubbock Fine LLP Chartered Accountants & Statutory Auditors, and the Senior Statutory Auditor was Lee Facey.