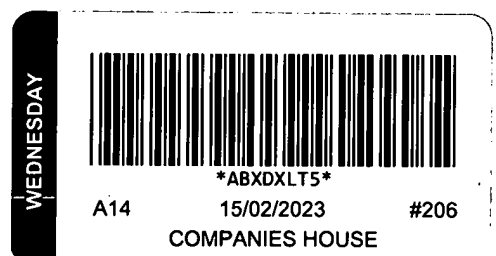


**Company Registration Number: 10781555 (England and Wales)**

**DUAGH PROPERTY LIMITED**  
**ANNUAL REPORT AND THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**



**DUAGH PROPERTY LIMITED**

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## **DUAGH PROPERTY LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements of Duagh Property Limited (the "Company") for the year ended 31st December 2021.

#### **INCORPORATION**

The Company was incorporated in England and Wales on 20th May 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is that of holding investment properties.

#### **STRATEGIC REPORT**

The Directors have taken the small companies exemption in relation to the preparation of a Strategic Report under the provisions of s414B of the Companies Act 2006.

#### **CHANGE OF ACCOUNTING DATE**

The Company has changed its annual reporting date from 31st May to 31st December as at 31st December 2020. This was done to align the accounting reporting period to that of the group for consolidation purposes. The current year is presented for 12 months and the comparative period is for 7 months so the comparative information are not entirely comparable.

#### **RESULTS AND DIVIDENDS**

The net assets of the Company as at 31st December 2021 were £37,388,247 (2020: £37,310,518).

The profit for the year amounted to £77,729 (period ended 31st December 2020: £35,299,708).

The Directors do not recommend a dividend for the year (period ended 31st December 2020: £nil).

#### **GOING CONCERN**

The Company is currently in a net current liability position of £432,144 of which £766,655 relates to loan interest due to the Company's parent entity, London Logistics S.à r.l., which will continue to provide financial support to the Company in order to fulfil its obligations and to meet its liabilities as and when they fall due.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **DIRECTORS**

The Directors who held office during the year and subsequently were:

B. Nabi	(appointed 13th December 2022)
L. Bradaia	(appointed 13th December 2022)
I. Guener	(appointed 13th December 2022)
J.J. Byrne	(resigned 29th January 2021)
S.P. Byrne	(resigned 29th January 2021)
C. Milne	(appointed 6th December 2021 and resigned 13th December 2022)
J.W. McGowan	(appointed 29th January 2021, resigned 30th June 2021)
J.K. Karhukorpi	(appointed 20th July 2022, resigned 13th December 2022)
A.T.J. Moll	(appointed 29th January 2021, resigned 13th December 2022)
R.D. Nulud	(appointed 3rd June 2021, resigned 20th July 2022)
M.J. Stockwell	(appointed 29th January 2021, resigned 3rd June 2021)
J.X. Withrington	(appointed 29th January 2021, resigned 13th December 2022)

## **DUAGH PROPERTY LIMITED**

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### **REPORT OF THE DIRECTORS - (CONTINUED)**

#### **SECRETARY**

The Company Secretary who held office until 13th December 2022 was SJ Secretaries Limited.

#### **INDEPENDENT AUDITOR**

Each person who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP have been appointed as independent auditor and have expressed their willingness to accept such appointment and to continue in office.

#### **REGISTERED OFFICE**

1 Chamberlain Square Cs  
Birmingham  
B3 3AX,

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

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

The Directors are required to prepare financial statements for each financial period under the Companies Act 2006 (the "Applicable Legislation"). As permitted by the Applicable Legislation, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including with Financial Reporting Standard 102 1A: Small Entities, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 Section 1A") and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Applicable Legislation. 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.

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**DUAGH PROPERTY LIMITED**

**REPORT OF THE DIRECTORS - (CONTINUED)**

**BY ORDER OF THE BOARD**

DocuSigned by:  
*Ibrahim Güner*  
B85C26839886480...

Authorised signatory  
**Mr. Ibrahim Güner**  
Date: January 2023

07 February 2023 | 17:54:15 GMT

## **DUAGH PROPERTY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUAGH PROPERTY LIMITED**

#### **Opinion**

In our opinion the financial statements of Duagh Property 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

## **DUAGH PROPERTY LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUAGH PROPERTY 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](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 framework[s] 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. UK Companies Act, pensions legislation, tax legislation]; 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.

We discussed among the audit engagement team including significant component audit teams 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 validity of the data used by the external valuers in their estimation of the fair value of the investment property. Our specific procedures performed to address this are described below:

- We tested the integrity of a sample of the data provided to the external valuer. This included verifying a sample of the information provided to the external valuer; and
- We tested the completeness of the data provided to the external valuer. This included obtaining an independent source of the tenants at the property and verifying that they were appropriately included in the data relied upon in the valuation.

## **DUAGH PROPERTY LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUAGH PROPERTY LIMITED - (CONTINUED)**

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 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 and reviewing external quarterly investor reports.

#### **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 strategic report 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.

##### **Other matter**

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



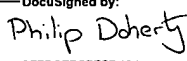
## **DUAGH PROPERTY LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUAGH PROPERTY LIMITED - (CONTINUED)**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Philip Doherty (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
January 2023

07 February 2023 | 21:28:15 GMT

**DUAGH PROPERTY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER 2021****Company Registration Number: 10781555 (England and Wales)**

	<u>Notes</u>	<u>31st Dec 21</u>	<u>Unaudited</u> <u>31st Dec 20</u>
		<u>£</u>	<u>£</u>
<b>FIXED ASSETS</b>			
Investment properties at fair value through profit or loss	5	<b>80,050,000</b>	<b>59,500,000</b>
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	6	435,672	-
Cash at bank		488,541	1,067,250
		<b>924,213</b>	<b>1,067,250</b>
<b>CREDITORS: Amounts falling due within one year</b>	7	<b>(1,356,357)</b>	<b>(732,617)</b>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<b>(432,144)</b>	<b>334,633</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>79,617,856</b>	<b>59,834,633</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	8	<b>(42,229,609)</b>	<b>(22,524,115)</b>
<b>NET ASSETS</b>		<b>37,388,247</b>	<b>37,310,518</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		100	100
Revaluation reserve		38,001,576	34,919,475
Profit and loss account		(613,429)	2,390,943
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<b>37,388,247</b>	<b>37,310,518</b>

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

The financial statements on pages 9 to 20 were approved and authorised for issue by the Board of Directors on January 2023 and were signed on its behalf by:

Director:  07 February 2023 | 17:55:38 GMT  
0A2EE77E6F6647E...

Authorised signatory  
Linda Bradaia  
Date: February 2023

*(The notes on pages 12 to 20 form an integral part of these audited financial statements)*

**DUAGH PROPERTY LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER 2021**

		<b>1st Jan 21 to 31st Dec 21</b>	<b>Unaudited 1st Jun 20 to 31st Dec 20</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	9	1,425,090	700,000
<b>COST OF SALES</b>	10	(1,785,231)	-
<b>GROSS (LOSS) / PROFIT</b>		<b>(360,141)</b>	<b>700,000</b>
<b>ADMINISTRATIVE EXPENSES</b>	11	(1,307,840)	(19,122)
<b>OTHER OPERATING INCOME</b>		-	2,252
<b>OPERATING (LOSS) / PROFIT</b>		<b>(1,667,981)</b>	<b>683,130</b>
Net unrealised gain on revaluation of investment properties	5	7,561,734	43,107,034
<b>PROFIT FOR THE YEAR / PERIOD BEFORE FINANCE COSTS AND TAXATION</b>		<b>5,893,753</b>	<b>43,790,164</b>
Interest payable and similar expenses	12	(1,334,690)	(148,285)
<b>PROFIT FOR THE YEAR / PERIOD BEFORE TAXATION</b>		<b>4,559,063</b>	<b>43,641,879</b>
Taxation	13	(4,481,334)	(8,342,171)
<b>PROFIT FOR THE YEAR / PERIOD</b>		<b>77,729</b>	<b>35,299,708</b>

The Company does not have any other income or expenses, therefore, a Statement of Comprehensive Income is not prepared.

*(The notes on pages 12 to 20 form an integral part of these audited financial statements)*

**DUAGH PROPERTY LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31ST DECEMBER 2021**

	<b><u>Share capital</u></b>	<b><u>Revaluation reserve</u></b>	<b><u>Profit and loss account</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
<b>BALANCE AT 1ST JUNE 2020 - (unaudited)</b>	<b>100</b>	<b>-</b>	<b>2,010,710</b>	<b>2,010,810</b>
Profit for the period	-	34,919,475	380,233	35,299,708
<b>BALANCE AT 31ST DECEMBER 2020 - (unaudited)</b>	<b>100</b>	<b>34,919,475</b>	<b>2,390,943</b>	<b>37,310,518</b>
Profit for the year	-	3,082,101	(3,004,372)	77,729
<b>BALANCE AT 31ST DECEMBER 2021</b>	<b>100</b>	<b>38,001,576</b>	<b>(613,429)</b>	<b>37,388,247</b>

*(The notes on pages 12 to 20 form an integral part of these audited financial statements)*

## **DUAGH PROPERTY LIMITED**

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

#### **FOR THE YEAR ENDED 31ST DECEMBER 2021**

##### **1 GENERAL INFORMATION**

Duagh Property Limited (the "Company") holds investment properties in the United Kingdom.

The Company is a private limited company registered in England and Wales. The Company's registered number is 10781555. The address of its registered office is 1 Chamberlain Square Cs Birmingham B3 3AX.

##### **2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared under United Kingdom Accounting Standards, including Financial Reporting Standard 102 1A: Small Entities, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 Section 1A") and in compliance with the Companies Act 2006.

##### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to the current year and prior period presented, unless otherwise stated.

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

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of the investment properties measured at fair value through profit or loss.

The functional currency of the Company is Pound Sterling because this is the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pound Sterling.

###### **Presentation of a Statement of Cash Flows**

Under FRS 102 paragraph 7.1B, a small entity is exempt from preparing a Statement of Cash Flows. Consequently, no statement of cash flows has been presented in these financial statements.

###### **Going concern**

The Company is currently in a net current liability position of £432,144 of which £766,655 relates to loan interest due to the Company's parent entity, London Logistics S.à r.l., which will continue to provide financial support to the Company in order to fulfil its obligations and to meet its liabilities as and when they fall due.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

###### **Investment properties**

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties for which a value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually, with any changes in fair value recognised in the Income Statement.

The Company engaged independent valuers to determine fair value. The fair value of the investment properties reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the properties under current market conditions. The key assumptions used to determine the fair value of the investment properties are further explained in Note 5.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

## **DUAGH PROPERTY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

#### **FOR THE YEAR ENDED 31ST DECEMBER 2021**

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

#### **Investment properties - (continued)**

Investment properties are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement.

#### **Financial instruments**

Investment property is derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement.

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

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

#### **Share capital and share premium**

The shares and any premium issued on the shares are classified as equity due to having no provision for mandatory redemption.

#### **Fair value measurement**

Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date (i.e. the exit price).

Investment property is measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1: Quoted prices available in active markets for identical investments as of the reporting date. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2: Inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Investments which may be included in this category include, but are not limited to, investments in which secondary market transactions meeting certain requirements (size, financial disposition buyer/seller, relative proximity of transaction date to reporting date, etc.) occurred.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

#### **Turnover**

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before turnover is recognised:

#### ***Rental income and service charge income***

Income arising from operating leases is recognised when the right to receive the consideration is established and is recognised on a straight-line basis over the term of the relevant lease. Where payments are received from tenants in advance of the period the rent is incurred, the amounts are recorded as deferred income and included as part of creditors due within one year. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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**DUAGH PROPERTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

**Turnover - (continued)**

*Rental income and service charge income - (continued)*

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

*Service charges*

Recoveries of operating costs for lease components are recognised in the period in which the related operating costs are incurred and recoverable under the lease agreement. Revenue from services rendered to tenants are recognised as the performance obligations are satisfied over time as they are provided during the period of occupancy and only to the extent that it is highly probable that a significant amount of the cumulative revenue recognised for a contract will not be reversed.

**Interest income and interest expense**

Income earned on bank deposits are recognised on an accruals basis. Interest on borrowings is recognised in profit or loss as it accrues using the effective interest rate method.

**Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement.

Current or deferred taxation assets and liabilities are not discounted.

*Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and profit / (loss) as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. The profit or loss on exchange is recognised in the Income Statement.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2021****4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES**

In the application of the Company's accounting policies, which are described in Note 3, 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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

During the year, there are no critical accounting judgements and the key source of estimation uncertainties is as follows:

**Measurement of investment properties**

The fair value of the investment properties was primarily derived using recent comparable market transactions on arm's length terms, where available, and appropriate valuation techniques, the investment and capitalisation methods. This involved estimation of future cash flows to be generated over a number of years and combination of assumptions including revenue growth and rental values. In addition the use of discount rates / capitalisation rates requires judgement.

**5 INVESTMENT PROPERTIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u>31st Dec 21</u>	<u>Unaudited 31st Dec 20</u>
	<u>£</u>	<u>£</u>
<b>Freehold land and buildings</b>		
<b>At cost</b>		
Balance brought forward	16,392,966	16,293,957
Additions during the year / period	12,988,266	99,009
<b>Balance carried forward</b>	<b>29,381,232</b>	<b>16,392,966</b>
<b>At fair value</b>		
Balance brought forward	59,500,000	16,293,957
Additions during the year / period	12,988,266	99,009
Net unrealised gain on revaluation of investment properties	7,561,734	43,107,034
<b>Balance carried forward</b>	<b>80,050,000</b>	<b>59,500,000</b>

The Company holds land at Goat Road, Tramway Path and property at 1 Drake Road, Mitcham, London. On 29th January 2021, the Company acquired freehold property units known as Units 1 and 2 and 3 to 9 Willow Lane Industrial Estate, Mitcham, London for £ 12,000,000.

The properties has been valued by CBRE Limited as at 31st December 2021 and 2020 in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

The valuer has adopted a residual valuation approach primarily derived using comparable recent market transactions on arm's length basis.



**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2021****6 DEBTORS: Amounts falling due within one year**

	<b>31st Dec 21</b>	<b>Unaudited 31st Dec 20</b>
	<b>£</b>	<b>£</b>
Funds with property agents	27,916	-
Rent receivable	361,521	-
Prepayments	16,462	-
Other debtors	29,773	-
	<b>435,672</b>	<b>-</b>

At the end of the year there were balances outstanding in respect of amounts due back to the Company from the tenant which forms part of the other debtors balance.

Due to the change in administrators and accounting approach, transactions recognised in the current year are not directly comparable to prior period and prior period approach used.

**7 CREDITORS: Amounts falling due within one year**

	<b>31st Dec 21</b>	<b>Unaudited 31st Dec 20</b>
	<b>£</b>	<b>£</b>
Interest due to parent entity (Note 8)	766,655	-
Rental income in advance	300,000	278,904
Acquisition costs	-	3,014
VAT payable	30,014	118,382
Taxation payable	-	322,317
Accrued expenses	259,688	10,000
	<b>1,356,357</b>	<b>732,617</b>

**8 CREDITORS: Amounts falling due after more than one year**

	<b>31st Dec 21</b>	<b>Unaudited 31st Dec 20</b>
	<b>£</b>	<b>£</b>
Bank loan	-	5,854,556
Loans due to Shareholder	-	6,782,000
Other loans	-	1,700,000
Loan due to parent entity	29,562,417	-
Deferred tax liability (Note 13)	12,667,192	8,187,559
	<b>42,229,609</b>	<b>22,524,115</b>
<b>Bank loan</b>	<b>£</b>	<b>£</b>
Due after more than one year	-	5,854,556
	<b>-</b>	<b>5,854,556</b>

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2021****8 CREDITORS: Amounts falling due after more than one year (continued)**

The Company had taken out a 5 year bank loan on 23 June 2017 with AIB for £7.92 million with interest rate of LIBOR plus 3.0% per annum to finance the acquisition of investment property in Drake Road. Subsequently, on 12 March 2020, the Company had taken out another loan with McGovern Haulage Limited for £1.7 million at an interest rate of 6% per annum and repayment date of 31 March 2025 to finance the acquisition of the investment property in Goat Road. These loans were secured by first legal charges over the investment properties.

The Company entered into an intercompany loan agreement on 19th April 2021 with TransEuropean Prop2 S.à r.l. for an interest-bearing loan facility (5.5% per annum) with effect from 31st January 2021. This new loan was used to repay the existing bank loan, loan due to shareholder and other loans. On 12th May 2021, TransEuropean Prop2 S.à r.l., London Logistics S.à r.l. and the Company entered into an assignment agreement, whereby the loan was assigned from TransEuropean Prop2 S.à r.l. to London Logistics S.à r.l. with effect from 7th April 2021. Upon the assignment of this loan it was agreed that the interest rate would be adjusted from 5.5 % to 4.5 % per annum. The loan and accrued interest have a maturity date of 31st January 2027.

**9 TURNOVER**

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
An analysis of the Company's property income is as follows:		
Rental income	1,400,145	700,000
Insurance income	22,433	-
Service charge income	2,512	-
	<b>1,425,090</b>	<b>700,000</b>

At the reporting date, the Company had contracted with tenants for the following future minimum lease payments:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	1,200,000	2,400,000
	<b>1,200,000</b>	<b>2,400,000</b>

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2021****10 COST OF SALES**

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
Service charge expenditure	2,512	-
Property management fees	9,130	-
Property legal and professional fees	1,602,131	-
Insurance expense	22,433	-
Other property expenditure	149,025	-
	<b>1,785,231</b>	<b>-</b>

Due to the change in administrators and accounting approach, transactions recognised in the current year are not directly comparable to prior period and prior period approach used.

**11 ADMINISTRATIVE EXPENSES**

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
Management fees	958,047	-
Investment management fees	121,636	-
Consultancy fees	-	9,000
Administration and accountancy fees	34,436	10,000
Audit fees	25,000	-
Tax compliance fees	21,000	-
Valuation fees	17,400	-
Non-recoverable VAT	127,936	-
Bank charges	2,125	122
Other administrative expenses	260	-
	<b>1,307,840</b>	<b>19,122</b>

The Company incurred audit expenses amounting to £25,000 during the year (2020: £nil) payable to Deloitte LLP, the appointed auditors. Deloitte LLP did not perform any non-audit services.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2021****12 INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
Bank loan interest	91,288	96,985
Other loan interest payable	-	51,300
Intercompany loan interest	1,243,402	-
	<b>1,334,690</b>	<b>148,285</b>

Refer to Note 8 in respect of the terms of the borrowings.

**13 TAXATION**

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
<b>Current tax on net income on ordinary activities</b>		
United Kingdom taxation	1,701	154,612
<b>Deferred tax</b>		
Origination and reversal of timing differences:		
- Non-current	4,479,633	8,187,559
<b>Income tax</b>	<b>4,481,334</b>	<b>8,342,171</b>

The UK rental business profits of the Company's are subject to UK income tax at the rate of 19% (31st December 2020: 19%).

It was announced by HMRC in a policy paper published on 3rd March 2021 that the Corporation tax rate applicable to Companies that pay Corporation tax will increase from the current 19% to 25% effective from 1st April 2023.

The table below shows the deferred tax recognised by the Company as at 31st December 2021 and 2020.

	<b>1st Jan 21</b>	<b>Unaudited</b>
	<b>to</b>	<b>1st Jun 20</b>
	<b>31st Dec 21</b>	<b>31st Dec 20</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax liability</b>		
- Non-current	<b>(12,667,192)</b>	<b>(8,187,559)</b>

The deferred tax liability arose from the temporary difference between the fair value of the investment properties and their tax base.

## **DUAGH PROPERTY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

#### **FOR THE YEAR ENDED 31ST DECEMBER 2021**

##### **14 GUARANTEE**

The Company's parent entity has entered into a loan facility agreement and the Company is party to the loan facility agreement as a guarantor, whereby the Company has agreed under a debenture to grant a fixed and floating charge over all of its assets to the security agent of the loan facility agreement.

##### **15 IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

With effect from 29th January 2021, in the opinion of the Board of Directors of the Company, the immediate parent company was TransEuropean Prop2 S.à r.l. On the 19th July 2021, the parent entity change to London Logistics S.à r.l.

With effect from 29th January 2021, the ultimate controlling party is Patrizia AG, a company incorporated in Germany.

The Company is consolidated into the financial statements of Urban Project SCSp and copies of which are available at its registered office address of 41, Avenue de la Liberté, L-1931 Luxembourg.

##### **16 EMPLOYEES AND DIRECTORS**

The average number of Directors during the year was 4 (period ended 31st December 2020: 4).

The Company has no employees during the year (2020: nil)

##### **17 RELATED PARTY DISCLOSURES**

J.K. Karhukorpi, A.T.J. Moll and R. Nulud are employees and M.J. Stockwell was an employee of Saltgate Limited. J.X. Withrington is an employee of Saltgate (UK) Limited. With effect from 29 January 2021, administrative and accounting services are provided to the Company by Saltgate Limited and its subsidiaries at commercial rates.

C. Milne is and J.W. McGowan was an employee of Patrizia P.I.M. (Regulated) Limited and Patrizia PIM Limited which are two corporate members of Patrizia Property Investment Managers LLP ("PPIM LLP"). PPIM LLP is an entity that provides property related investment advisory services to the Company.

During the year, introductory fees were paid to Kingston Space Property Ltd amounting to £628,875 who also serves as Asset Managers for the company.

##### **18 EVENTS AFTER THE END OF THE REPORTING PERIOD**

Subsequent events have been evaluated up to the date the Financial Statements were approved and authorised for issue by the Board of Directors of the Company and the following subsequent events had occurred.

On 9 December 2022 the Company increased its share capital from £3,350 to £623,350 via the capitalisation of shareholder loans into equity by issuing 620,000 ordinary shares of £1.00 each, totalling £620,000 of additional equity.

On 13 December 2022, the Company migrated the effective place of management to Luxembourg. The registered office of the company is located at 107 Cheapside, London, England, EC2V 6DN, United Kingdom and the central administration, principal establishment and centre of main interest is located at 1, rue Isaac Newton, L-2242 Luxembourg. Consequently the directors resigned and new directors were appointed. The Company remains registered in the UK with Companies House and will remain a UK entity for statutory filing purposes.

Changes in the Board of directors of the Company is as follows: J.K Karhukorpi, C. Milne, A.T.J. Moll and J.X. Withrington. On the same day the following persons were appointed as Directors to the Board of Directors of the company: B. Nabi, L. Bradaia and I. Guener.