Registered number: 11398982

GREAT EASTERN CAPITAL LIMITED

Financial statements

For the Year ended 30 June 2022

GREAT EASTERN CAPITAL LIMITED

Contents

GREAT EASTERN CAPITAL LIMITED

Company Information

Directors	P J Dalton J M Mulryan P F Yau T Tsang
Company secretary	P J Dalton
Registered number	11398982
Registered office	4th Floor 161 Marsh Wall London E14 9SJ
Independent auditors	Pricewaterhouse Coopers LLP 1 Embankment Place London WC2N 6RH

Strategic report
For the Year Ended 30 June 2022

The directors present their strategic report for the year ended 30 June 2022.

Business review

The principal activity of the Company is that of a financing company to a related party, Great Eastern Limited Partnership ("the Partnership"). The directors do not expect any change in this activity. The Partnership is a 50:50 joint venture between Ballymore Great Eastern Partner Limited and Hart Mountain Limited and owns development land situated in Canary Wharf, London.The Partnership's development project is currently on hold. The Company has been financed by the issue of loan notes to related parties.

The statement of profit or loss and other comprehensive income for the year is set out on page 12. The Company's revenue has increased from £7,689,942 in the prior year to £8,208,563 in the current year. This reflects the interest income on the loan notes advanced. During the year the Company recorded £8,056,890 (2021- £7,555,278) of cost of sales, this reflects the interest expense on the loan notes issued to related parties.

The profit for the year, after taxation, amounted to £107,024 (2021 - £91,614). Total assets at 30 June 2022 amounted to £129,922,522 (2021- £121,656,548) while net assets at 30 June 2022 amounted to £359,110 (2021 - £252,086).

Principal risks and uncertainties

Economic risk
As the principal activity is that of a financing company to Great Eastern Limited Partnership, consequently the Company's performance is linked to that of the Partnership. The markets that the Partnership operates within have been impacted by several economic factors including inflationary pressures. Consequently, since the year end, the Partners have agreed to put the development project on hold due to the current macro- economic conditions. The directors have considered these factors when assessing the recoverability of the Company's debtors.

The house building industry is sensitive to macro-economic environment factors nationally and regionally such as interest rates and consumer confidence.

As such, the following represent the primary economic risks to the Partnership:
- The risk relating to the availability of finance, and liquidity and interest rate movements having an adverse impact on property markets;
- The risk of unrealistic increases in development and operating costs impacting adversely on competitiveness of the Partnership. In particular there has been hyper-inflation in certain construction works and materials since the financial year end.

These risks are managed by due consideration of the interest rate environment, business planning, strict cost control, and closely monitoring cash levels. These risks have led to the temporary deferral of further works on the development project.

Financial risk
The principal risks and uncertainties are the credit risk arising from the unsecured loan to Great Eastern Limited Partnership, and the related liquidity risk arising from the repayment terms of the Company's own liabilities.

Financial key performance indicators
The Company's key performance indicator is the profit on its lending activities (gross profit).

Strategic report (continued)
For the Year Ended 30 June 2022

Other key performance indicators

The directors are of the opinion that there are no non-financial key performance indicators.

This report was approved by the board on 15 September 2023 and signed on its behalf.

P Dalton

....

P Dalton
Director

Directors' report
For the Year Ended 30 June 2022

The directors present their report and the audited financial statements for the year ended 30 June 2022.

Directors' responsibilities statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Principal activities

The principal activity of the Company is the provision of finance to a related party.

Results and dividends

The profit for the year, after taxation, amounted to £107,024 *(2021 - £91,614)*.

The directors do not intend to declare any final dividend for the financial year (2021 - £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P Dalton
J M Mulryan
P F Yau
T Tsang

Directors' report (continued)
For the Year Ended 30 June 2022

Financial Instruments

Information on the Company's financial risk management objectives and policies and its financial instruments is disclosed in note 14 to the financial statements.

Going concern

The directors have considered the use of the going concern basis in the preparation of the financial statements and having taken into account the existing and anticipated effects of wider economic factors and the net current liability position on the balance sheet as at 30 June 2022, have concluded that this is appropriate. More detail on the going concern review performed and the conclusions reached is provided in note 4 to the financial statements.

Events after the reporting date

Subsequent to the year end, the Company issued additional loan notes amounting to £18,578,064 to the note holders in satisfaction of interest payable up to 30 June 2023.

At the date of approval of the financial statements, both joint venture partners (who are the same joint venture partners as those of Great Eastern Limited Partnership and those of the holders of the loan notes issued by the Company) are arranging for the loans issued by the Company and advanced by the Company to be refinanced.

This does not require the involvement of external parties; rather it will involve a restructuring of loan notes that have been issued. This is because the original terms of the loans were aligned with the expected timeline of the development project planned for the development property owned by Great Eastern Limited Partnership but this has now been delayed due to the current economic factors.

There have been no other significant events affecting the Company since the year end.

Independent Auditors

The auditors, Pricewaterhouse Coopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 September 2023 and signed on its behalf.

P.Dalton

....

P Dalton
Director

Independent auditors' report to the members of Great Eastern Capital Limited

Report on the audit of the financial statements

Opinion

In our opinion, Great Eastern Capital Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted International accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial statements (the "Annual Report"), which comprise the Statement of financial position as at 30 June 2022; the Statement of profit or loss and other comprehensive Income, the Statement of cash flows, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. We have performed a full scope statutory audit over the Company. This included performing sufficient appropriate audit procedures over all material balances.

Key audit matters

- Measurement of borrowings at amortised cost

Materiality

- Overall materiality: £1,299,000 (2021: £1,216,000) based on 1% of Total assets.
- Performance materiality: £974,250 (2021: £912,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Measurement of borrowings at amortised cost Refer to page 22 (Notes to the financial statements - Note 6.5) and page 25 (Notes to the financial statements - Note 11). The Company has total borrowings of £129,410,718 as at 30 June 2022. The Company's borrowings consist of shareholders loans which are listed on The International Stock Exchange but wholly owned by its shareholders and are not freely transferable. Consistent with the requirement of IFRS the borrowings are recognised initially at fair value and subsequently measured at amortised cost. Finance charges are recognised in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The Company's principal activity is to provide funding to related parties and the borrowing facilities and financing costs are of a material quantum. Our audit testing is therefore focused on these areas. As such the measurement of borrowings has been identified as a key audit matter.	We tested the borrowings to underlying agreements and tested any drawdowns and repayments to bank statements.We obtained confirmations of the borrowings as at 30 June 2022.We obtained management's effective interest rate calculation and tested their calculation.In addition we recalculated the amortised cost. Based on the testing performed, we are satisfied that management had appropriately accounted for these transactions

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates

We have performed a full scope statutory audit over the Company. This included performing sufficient appropriate audit procedures over all material balances

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£1,299,000 (2021: £1,216,000).
How we determined it	1% of Total assets
Rationale for benchmark applied	We believe that total assets is the key driver of the Company, on the basis that the principal activity of the Company during the period was funding of a related party.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £974,250 (2021: £912,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £64,950 (2021: £60,800) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view The directors are also responsible for such internal control as they 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

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and relevant legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included;

- Discussions with management, over their consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors,
- Understanding and evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries meeting certain risk criteria;
- Challenging assumptions made by management in relation to significant accounting estimates; and

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility

Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 September 2023

GREAT EASTERN CAPITAL LIMITED

Statement of profit or loss and other comprehensive income
For the Year Ended 30 June 2022

	Note	2022 £	2021 £
Revenue	7	**8,208,563**	*7,689,942*
Cost of sales		**(8,056,890)**	*(7,555,278)*
Gross profit		**151,673**	*134,664*
Administrative expenses		**(19,544)**	*(21,560)*
Profit from operations		**132,129**	*113,104*
Profit before tax		**132,129**	*113,104*
Tax expense	8	**(25,105)**	*(21,490)*
Profit for the year		**107,024**	*91,614*
Total comprehensive income		**107,024**	*91,614*

The notes on pages 16 to 30 form part of these financial statements.

All income relates to continuing operations.

GREAT EASTERN CAPITAL LIMITED
Registered number: 11398982

Statement of financial position
As at 30 June 2022

	Note	2022 £	*2021 £*
Assets			
Non-current assets			
Trade and other receivables	10	**129,922,522**	*121,656,548*
Total assets		**129,922,522**	*121,656,548*
Liabilities			
Non-current liabilities			
Trade and other liabilities	11	**129,410,718**	*121,353,828*
		129,410,718	*121,353,828*
Current liabilities			
Trade and other liabilities	11	**152,694**	*50,634*
		152,694	*50,634*
Total liabilities		**129,563,412**	*121,404,462*
Net assets		**359,110**	*252,086*
Issued capital and reserves			
Share capital	12	**100**	*100*
Retained earnings		**359,010**	*251,986*
TOTAL EQUITY		**359,110**	*252,086*

The financial statements on pages 12 to 30 were approved and authorised for issue by the board of directors on 15 September 2023 and were signed on its behalf by:

....
P Dalton
Director

The notes on pages 16 to 30 form part of these financial statements.

GREAT EASTERN CAPITAL LIMITED

Statement of changes in equity
For the Year Ended 30 June 2022

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 July 2020	100	160,372	160,472
Profit for the year	-	91,614	91,614
Total comprehensive income for the year	-	91,614	91,614
At 30 June 2021	**100**	**251,986**	**252,086**
At 1 July 2021	100	251,986	252,086
Profit for the year	-	107,024	107,024
Total comprehensive income for the year	-	107,024	107,024
At 30 June 2022	**100**	**359,010**	**359,110**

The notes on pages 16 to 30 form part of these financial statements.

GREAT EASTERN CAPITAL LIMITED

Statement of cash flows
For the Year Ended 30 June 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		**107,024**	*91,614*
Adjustments for			
Interest income (presented as Revenue)	7	**(8,208,563)**	*(7,689,942)*
Interest expense (presented as Cost of Sales)		**8,056,890**	*7,555,278*
Income tax charge/ (credit)	8	**25,105**	*21,490*
		(19,544)	*(21,560)*
Movements in working capital:			
(Increase)/decrease in trade and other receivables		**(57,411)**	*59,110*
Increase/ (decrease) in trade and other payables		**76,955**	*(37,550)*
Cash and cash equivalents at the beginning of year		-	-
Cash and cash equivalents at the end of the year		-	-

The notes on pages 16 to 30 form part of these financial statements.

Notes to the financial statements
For the Year Ended 30 June 2022

1. General information

Great Eastern Capital Limited (the 'Company') is a private company limited by shares and incorporated and domiciled in the UK. The Company's registered office is at 4th Floor, 161 Marsh Wall, London, England, E14 9SJ. The Company's principal activity is provision of finance to other related companies.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Details of the Company's accounting policies, including changes during the year, are included in note 6. The accounting policies have been applied consistently in current and preceding year.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 5.

2.1 Changes in accounting policies

i) New standards interpretations and amendments effective 1st July 2021
The following new amendments to standards are effective for the financial year ended 30 June 2022 onwards.

- Amendments to IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts', IFRS 16 'Leases' and IFRS 9 'Financial Instruments' for interest rate benchmark reform (phase 2).
- Amendments to IFRS 4 'Insurance Contracts' in relation to the deferral of IFRS 9.
- Amendments to IFRS 16 'Leases' for extension of COVID-19 related rent concessions.

None of the above amendments to standards has had a material effect on the Company's financial statements for the current period nor is expected to do so for future periods.

i) New standards, interpretations and amendments not yet adopted

The following new standards and amendments to standards have been issued but were not yet effective and therefore have not been applied in these financial statements:

- IFRS 17 'Insurance Contracts'
- Amendments to IAS 1 'Presentation of Financial Statements' on classification of liabilities
- Narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (published May 2020)
- Narrow-scope amendments to IAS 1, Practice statement 2 and IAS 8 (published February 2021)
- Amendments to IAS 12 'Income Taxes' on deferred tax related to assets and liabilities arising from a single transaction.

None of the above amendments to the standards is expected to have material effect on the Company's financial statements in future periods.

3. Functional and presentation currency

These financial statements are presented in pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

4. Going concern

The financial statements of the Company are prepared on the going concern basis, which the directors believe to be appropriate. In assessing the Company's ability to continue as a going concern, the directors have taken into consideration all available information relating to the period from the date of approval of these financial statements.

The directors note that the Company has no external borrowings or debt covenants; however as at 30 June 2022 it had net current liabilities of £152,694 and is reliant on the continued support of its investors, Eglinford Unlimited Company (through its subsidiary Trapol Limited) and Sun Hung Kai Properties Limited (through its subsidiary Sun Hung Kai Properties (UK) Holdings Limited), to be able to meet its liabilities as they fall due. (See Note 17 for details of shareholders).

The directors consider that the Company is an integral part of the structure of its investors and their strategy and this is evidenced by letters of support received from Trapol Limited and Sun Hung Kai Properties (UK) Holdings Limited, which state their intent to provide the necessary financial support to ensure that the Company is a going concern for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements.

In forming an assessment as to whether Trapol Limited and Sun Hung Kai Properties (UK) Holdings Limited have the ability to provide the necessary financial support to the Company, the directors have had regard to the cash flow forecasts of the entities which anticipate sufficient liquidity over the support period. Consequently, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and they accordingly continue to adopt the going concern basis in preparing the financial statements.

5. Accounting estimates and judgements

Significant judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Although these estimates are based on management's knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions associated with estimation uncertainty at the financial reporting period end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

6. Accounting policies

6.1 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

6.2 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.3 Financial instruments

Financial assets and financial liabilities are recognised when an entity 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

6. Accounting policies (continued)

6.4 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments 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.

(ii) Amortised cost and effective interest method

The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see (iii) Impairment of financial assets). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by the applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'revenue" line item.

6. Accounting policies (continued)

6.4 Financial assets (continued)

(iii) Impairment of financial assets

The Company recognises lifetime expected credit losses ('ECL') when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

6. Accounting policies (continued)

6.4 Financial assets (continued)

(iv) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in the credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the aforegoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

6. Accounting policies (continued)

6.5 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (" FVTPL").

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

7. Revenue

The following is an analysis of the Company's revenue for the year from continuing operations:

	2022 £	*2021* *£*
Interest income	**8,208,563**	*7,689,942*

Analysis of revenue by country of destination:

	2022 £	*2021* *£*
United Kingdom	**8,208,563**	*7,689,942*

The interest income receivable is in relation to a loan to a related party (note 10).

Notes to the financial statements
For the Year Ended 30 June 2022

8. Tax expense

Income tax recognised in profit or loss

	2022 £	2021 £
Current tax		
Current tax on profits for the year	**25,105**	*21,490*

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2022 £	2021 £
Profit for the year	**107,024**	*91,614*
Income tax expense	**25,105**	*21,490*
Profit before income taxes	**132,129**	*113,104*
Tax using the Company's domestic tax rate of 19% (2021:19%)	**25,105**	*21,490*
Total tax expense	**25,105**	*21,490*

Changes in tax rates and factors affecting the future tax charges

In the March 2021 Budget, it was announced that the rate of corporation tax in the UK will increase to 25% from April 2023 for companies with taxable profits in excess of £0.25 million. This new law was substantively enacted on 24 May 2021.

9. Directors' remuneration

During the year no payments were made to directors (2021- nil).

10. Trade and other receivables

	2022 £	2021 £
Loans to related parties	**129,922,522**	*121,656,548*
Trade and other receivables	**129,922,522**	*121,656,548*
Total non-current portion	**129,922,522**	*121,656,548*

10. Trade and other receivables (continued)

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

In June 2018, the Company provided a loan facility to a related party, Great Eastern Limited Partnership. The original principal amount was £100,000,000 and it was denominated in Pounds sterling. The loan carries a fixed rate of interest of 6.58% per annum, compounding quarterly. The loan is repayable in full on 30 June 2024. However, both joint venture partners (who are the same joint venture partners as those of Great Eastern Limited Partnership) are currently arranging for this loan to be refinanced such that the repayment will be later than 30 June 2024.This does not require the involvement of external parties; rather it will involve a restructuring of loan notes by the joint venture partners. This is because the original terms of the loans were aligned with the expected timeline of the development project planned for the development property owned by Great Eastern Limited Partnership but this has now been delayed due to the current economic factors.

The loans are unsecured.

11. Trade and other liabilities

	2022 £	2021 £
Payables to a related party	90,189	3,400
Accruals	15,910	4,800
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	106,099	8,200
Other payables - tax and social security payments	46,595	42,434
Loans from related parties	129,410,718	121,353,828
Total trade and other payables	129,563,412	121,404,462
Less: current portion - payables to related parties	(90,189)	(3,400)
Less: current portion - corporation tax	(46,595)	(42,434)
Less: current portion - accruals	(15,910)	(4,800)
Total current portion	(152,694)	(50,634)
Total non-current position	129,410,718	121,353,828

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

The Company had issued loan notes listed on the International Stock Exchange to a related party, Great European Capital Limited. The original principal amount was £50,000,000 denominated in Pounds sterling. The loans carry a fixed rate of interest of 6.48% per annum, compounding quarterly. The loan notes are repayable in full on 30 June 2026. Further loan notes have been issued by the Company in satisfaction of interest accrued up to 30 June 2022.

During the prior year, the principal amount of the loan notes and interest accrued were novated by Great European Capital Limited to MF (Jersey) 2 Limited, a related party. The novation was on the same terms as the initial loan.

The Company has also issued loan notes listed on the International Stock Exchange to a related party, Dazzling Direction Limited. The original principal amount was £50,000,000 denominated in Pounds sterling. The loan notes carry a fixed rate of interest of 6.48% per annum, compounding quarterly. The loan notes are repayable in full on 30 June 2026. Further loan notes have been issued by the Company in satisfaction of interest accrued up to 30 June 2022.

The above loans of £129,410,718 *(2021- £121,353,828)* are unsecured.

The current portion of payables to related parties are unsecured, interest free and repayable upon demand.

12. Share capital

Authorised

	2022 Number	2022 £
Shares treated as equity		
Ordinary A shares of £1.00 each	50	50
Ordinary B shares of £1.00 each	50	50
	100	100

Issued and fully paid

	Number	£
Ordinary A shares of £1.00 each		
At 1 July and 30 June	50	50

	Number	£
Ordinary B shares of £1.00 each		
At 1 July and 30 June	50	50

Both Ordinary A and Ordinary B shares rank pari passu in all respects, including rights to dividends.

Ordinary A shares are held by Dazzling Direction Limited.

Ordinary B shares are held by Great European Capital Limited.

There were no changes in the authorised or issued share capital in the current or preceding year.

13. Capital management

The directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to support the Company's stability.

The principal form of capital is share capital and debt securities as set out in notes 11 and 12.

14. Financial instruments - fair values and risk management

14.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2022	Note	Carrying amount Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	10	129,922,522	129,922,522
		129,922,522	129,922,522
Financial liabilities not measured at fair value			
Trade payables	11	129,500,907	129,500,907
		129,500,907	129,500,907

30 June 2021	Note	Carrying amount Amortised cost £	Total £
Financial assets not measured at fair value			
Trade and other receivables	10	121,656,548	121,656,548
		121,656,548	121,656,548
Financial liabilities not measured at fair value			
Trade payables	11	(121,357,228)	(121,357,228)
		(121,357,228)	(121,357,228)

14.2 Financial risk management objectives

The directors have overall responsibility for the determination of the Company's risk management objectives and policies and while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

14. Financial instruments - fair values and risk management (continued)

14.3 Interest rate risk management

The Company is not exposed to an interest rate risk since the Company borrowed funds using fixed interest rates. The interest rate applies for both loans receivable and loans payable and it is fixed until the maturity of the loans.

14.4 Currency risk management

The Company is not exposed to any significant currency risk. The Company also manages its currency exposure by retaining its transactions in pounds sterling.

14.5 Liquidity risk management

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

	2022 £	2021 £
Loans due to related parties		
Borrowings - Due between 2-5 years	**129,410,718**	*121,353,828*

15. Related party transactions

15.1 Trading transactions

During the year, the Company entered into the following trading transactions with related parties:

	Interest income 2022 £	Interest income 2021 £	Interest expense 2022 £	Interest expense 2021 £
Great Eastern Limited Partnership (i)	8,208,563	7,689,942	-	-
Great European Capital Limited (ii)	-	-	-	656,602
Dazzling Direction Limited (iii)	-	-	4,028,445	3,777,639
MF (Jersey) 2 Limited (iv)	-	-	4,028,445	3,121,037
	8,208,563	7,689,942	8,056,890	7,555,278

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties 2022 £	Amounts owed by related parties 2021 £	Amounts owed to related parties 2022 £	Amounts owed to related parties 2021 £
Great Eastern Limited Partnership (i)	129,922,472	121,656,498	-	-
Great European Capital Limited (ii)	50	50	-	-
Dazzling Direction Limited (iii)	-	-	64,705,334	60,676,939
MF (Jersey) 2 Limited (iv)	-	-	64,705,384	60,676,889
	129,922,522	121,656,548	129,410,718	121,353,828

(i) Joint venture of Eglinford Unlimited Company and Sun Hung Kai Properties Limited.
(ii) Member of the group headed by Eglinford Unlimited Company.
(iii) Member of the group headed by Sun Hung Kai Properties Limited.
(iv) Member of the group headed by Shepen Unlimited Company, which is controlled by S. Mulryan who also controls Eglinford Unlimited Company.

15.2 Other related party transactions

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount 2022 £	Transaction amount 2021 £	Balance owed 2022 £	Balance owed 2021 £
Ballymore Properties Limited (i)	Legal fees paid	-	3,400	3,400	3,400
Great Eastern Limited Partnership	Administrative fees paid	29,378	-	86,789	-

(i) Member of the group headed by Eglinford Unlimited Company, which is controlled by S. Mulryan.

16. Events after the reporting date

Subsequent to the year end, the Company issued additional loan notes amounting to £18,578,064 to the note holders in satisfaction of interest payable up to 30 June 2023.

At the date of approval of the financial statements, both joint venture partners (who are the same joint venture partners as those of Great Eastern Limited Partnership and those of the holders of the loan notes issued by the Company) are arranging for the loans issued by the Company and advanced by the Company to be refinanced.

This does not require the involvement of external parties; rather it will involve a restructuring of loan notes that have been issued. This is because the original terms of the loans were aligned with the expected timeline of the development project planned for the development property owned by Great Eastern Limited Partnership but this has now been delayed due to the current economic factors.

There have been no other significant events affecting the Company since year end.

17. Ultimate controlling party

The Company is a joint venture, 50% owned by Eglinford Unlimited Company (through its subsidiary) Great European Capital Limited) and 50% owned by Sun Hung Kai Properties Limited (through its subsidiary Dazzling Direction Limited). Great European Capital Limited's registered office address is 22 Grenville Street, St Helier, Jersey JE4 8PX. Dazzling Direction Limited's registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

18. Guarantees and commitments

The Company has charged, by way of fixed charge, its assets as security to one of its investors, Dazzling Direction Limited.

19. Auditors' remuneration

The fees payable to the Company's auditors for the audit of the Company's annual financial statements is £5,000 (*2021- £3,750*). Tax compliance fees payable to the Company's auditors amounted to £1,150 *(2021- £1,100)*.