

Company Number: 07265920

**ADRIATIC LAND 10 (GR1) LIMITED
(Formerly SEATON GR SPV 9 LIMITED)**

REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD
1 AUGUST 2019 to 31 MARCH 2020**

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Adriatic Land 10 (GR1) Limited

**Report and Financial Statements
For the period ended 31 March 2020**

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Adriatic Land 10 (GR1) Limited**Directors**

Coral Bidel (appointed 24 January 2020)
Adrian Jeffery (appointed 24 January 2020)
Christopher Warnes (appointed 24 January 2020)
Keith Adey (resigned 24 January 2020)
Jason Honeyman (resigned 24 January 2020)
Simon Scougall (resigned 24 January 2020)

Company number

07265920

Secretary and Registered Office

Sanne Group Secretaries (UK) Limited
6th Floor 125 London Wall, London
EC2Y 5AS

Auditors

BDO LLP
55 Baker Street, London, W1U 7EU

Report of the Directors

The directors present their report together with the audited financial statements for the period 1 August 2019 to 31 March 2020.

Results and dividends

The results for the period are shown on page 7. No dividends were declared during the period.

Principal activity and future developments

The Company's principal activity is property investment.

The directors expect to continue with the Company's principal activity for the coming year.

COVID-19

In early 2020, the existence of COVID-19 was confirmed and has since spread globally. COVID-19 has caused disruption to businesses and economic activity which is reflected in recent fluctuations in global markets. From an operational perspective, while safeguarding the wellbeing of all employees, customers and ensuring operational effectiveness, all servicing partners engaged to manage the operations of the Company have been able to successfully implement business continuity plans and have mobilised remote working models to ensure there has been no loss of service to the Company.

Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact. However, there is a risk that it could lead to a material change in the fair value of the investment properties within the next 12 months. The Directors will therefore continue to review and assess the impact on a regular basis.

Adriatic Land 10 (GR1) Limited
Report of the Directors (Continued)

Directors' Confirmation

Each of the directors who are a director at the time when the report is approved confirms that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant information and to establish that the Company's auditors are aware of that information.

Small Companies Exemptions

In preparing this report advantage has been taken of the special provisions of section 415A of the Companies Act 2006 applicable to small companies on the grounds that the directors believe that the company is a small company.

By Order of the Board



Sanne Group Secretaries (UK) Limited
Company Secretary

Adriatic Land 10 (GR1) Limited**Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ADRIATIC LAND 10 (GR1) LIMITED

Opinion

We have audited the financial statements of Adriatic Land 10 (GR1) Limited ("the Company") for the period ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ADRIATIC LAND 10 (GR1) LIMITED (Continued)

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 period 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.

Matters on which we are required to report by exception

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 material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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; or
- 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.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ADRIATIC LAND 10 (GR1) 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.



Simon Fowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: **9 October 2020**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Adriatic Land 10 (GR1) Limited
Statement of Comprehensive Income
for the Period 1 August 2019 to 31 March 2020

Note

		Period 1 August 2019 to 31 March 2020 £'000	Year ended 31 July 2019 £'000 (unaudited)
Turnover	1 (b)	84	-
Administrative expenses		(31)	-
Management fees		(8)	-
		<hr/>	<hr/>
Operating Profit	2	45	-
Interest payable		(126)	-
		<hr/>	<hr/>
Loss on Ordinary Activities before Taxation		(81)	-
Taxation	3	(9)	-
		<hr/>	<hr/>
Total Comprehensive Loss	9	(90)	-
		<hr/>	<hr/>

There are no items to be recognised in other comprehensive income.

The notes on pages 9 to 13 form part of these financial statements.

Adriatic Land 10 (GR1) Limited
(Company Number: 07265920)

Statement of Financial Position at 31 March 2020

	Notes	2020		2019	
		£'000	£'000	£'000 (unaudited)	£'000 (unaudited)
Fixed Assets					
Investment properties	4		13,722		-
Current Assets					
Debtors	5	808			
Cash at bank		1		-	
		809			
Creditors: amounts falling due within one year	6	(14,621)		-	
Net Current Liabilities			(13,812)		-
Net Liabilities			(90)		-
Capital and Reserves					
Share capital	7		-		-
Profit and loss account	8		(90)		-
Shareholder's Deficit	9		(90)		-

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors and authorised for issue

on 30/09/2020 and were signed on its behalf by:



.....
Coral Bidel - Director

The notes on pages 9 to 13 form part of these financial statements.

Adriatic Land 10 (GR1) Limited

Financial Statements for the period ended 31 March 2020

Notes

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 as issued by the Financial Reporting Council.

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company is reflecting a net liability position of £89,499 (2019: £nil). The directors are satisfied that the going concern basis of accounting is appropriate based upon available cash and unutilised loan facility arrangement with Promenade DAC as described in note 11, and their assessment of ground rent multiples available in the market in the subsequent period.

The financial statements have been prepared for an 8-month period to the 31 March 2020. The Company has changed its year end to March in line with that of other group entities.

COVID-19 and going concern

In early 2020, the existence of COVID-19 was confirmed and has since spread globally. COVID-19 has caused disruption to businesses and economic activity which is reflected in recent fluctuations in global markets. From an operational perspective, while safeguarding the wellbeing of all employees, customers and ensuring operational effectiveness, all servicing partners engaged to manage the operations of the Company have been able to successfully implement business continuity plans and have mobilised remote working models to ensure there has been no loss of service to the Company.

Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact. However, there is a risk that it could lead to a material change in the fair value of the investment properties within the next 12 months. The Directors will therefore continue to review and assess the impact on a regular basis.

(b) Turnover

Turnover represents the value of ground rental income receivable for the period on an accruals basis. Turnover arises solely within the United Kingdom.

(c) Investment properties

Investment properties are recognised at fair value at the end of each reporting period. Assessing fair value requires significant management judgment and estimation regarding expected future developments in the property market. At the period-end fair value has been deemed to be equal to cost, given the proximity of property purchases to the period end.

(d) Current taxation

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

Adriatic Land 10 (GR1) Limited

Financial Statements for the period ended 31 March 2020

Notes (Continued)

1 Accounting Policies (continued)

(e) Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

(f) Financial instruments

Financial instruments are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Loans payable are recognised initially at fair value net of attributable transactions costs. Subsequent to initial recognition, loans are stated at amortised cost using the effective interest method.

(g) Financial Reporting Standard 102 – Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A";

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) relating to statement of cash flows;
- The requirements of Section 6 Statement of Changes in Equity and Statement of Income and Retained Earnings.

2. Operating Profit

There are no employees other than the directors, none of whom received any remuneration during the period (2019: £nil).

Adriatic Land 10 (GR1) Limited
Financial Statements for the period ended 31 March 2020
Notes (Continued)

3. Taxation

	8 months ended 31 March 2020 £'000	Year ended 31 July 2019 £'000 (unaudited)
Current tax charge	<u>9</u>	<u>-</u>

4. Investment Properties

	Freehold Land and Buildings £'000
At 1 August 2019	-
Additions	<u>13,722</u>
At 31 March 2020	<u>13,722</u>

The Company's investment property comprises of 1,556 units (2019: nil). At the period end fair value has been deemed equal to cost, given the proximity of the property purchase to the period end.

5. Debtors

	31 March 2020 £'000	31 July 2019 £'000 (unaudited)
Trade debtors	58	-
Accrued income	13	-
Other debtors	737	-
	<u>808</u>	<u>-</u>

Included within other debtors are funds of £621,027 (2019: £nil) advanced to the Company's solicitors for investment property acquisitions that are due to be refunded after the period end.

Adriatic Land 10 (GR1) Limited

Financial Statements for the period ended 31 March 2020

Notes (Continued)

6. Creditors: amounts falling due within one year

	31 March 2020 £'000	31 July 2019 £'000 (unaudited)
Loan finance	13,951	-
Accruals and deferred income	311	-
Tax payable	9	-
Amounts owed to group undertakings	350	-
	<u>14,621</u>	<u>-</u>

The loan finances provided by Promenade Finance Limited are subject to an interest rate of 4.70% on the senior loan, rising by 0.55% from 25 March 2020, and of 5% on the junior loan per annum and are repayable on exercising either the put or call option (see note 11). The loan finances are secured by a debenture over all the assets of the Company. Interest charged in the period was £126,094 (2019: £nil).

7. Share Capital

	31 March 2020 £	31 July 2019 £ (unaudited)
Authorised, allotted, called up and fully paid 2 ordinary share of £1 each	<u>2</u>	<u>2</u>

8. Profit and Loss Account

	31 March 2020 £'000	31 July 2019 £'000 (unaudited)
At 1 August	-	-
Loss for the period	(90)	-
At 31 March	<u>(90)</u>	<u>-</u>

9. Reconciliation of Movements in Shareholder's Deficit

	31 March 2020 £'000	31 July 2019 £'000 (unaudited)
Opening shareholder's deficit (unaudited)	-	-
Loss for the period	(90)	-
Closing shareholder's deficit	<u>(90)</u>	<u>-</u>

Adriatic Land 10 (GR1) Limited

Financial Statements for the period ended 31 March 2020

Notes (Continued)

10. Related Party Transactions

During the 8 months ended 31 March 2020, fees of £51,588 (12 months ended 31 July 2019: £nil) were charged by Homeground Management Limited, a company under common control, for property management services. Of the fees charged, £43,487 (2019: £nil) has been capitalised within investment properties.

During the 8 months ended 31 March 2020, fees of £5,692 (12 months ended 31 July 2019: £nil) were charged by Sanne Group (UK) Ltd, a company with common directors, for administration and secretarial fees.

11. Put and Call Option

Under a framework agreement with Promenade Finance DAC ("Promenade") dated 28 April 2017, Promenade have a call option, entitling them to purchase all of the share capital of the Company's parent, Adriatic Land 10 Limited.

If the call option has not been exercised within 10 business days after the final acquisition completion date, Adriatic Land 10 Limited's parent undertaking will be entitled to exercise its put option, requiring Promenade to purchase the share capital of the Company's parent, Adriatic Land 10 Limited.

12. Ultimate Parent and Controlling Company

At 31 March 2020, the Company's immediate parent was Adriatic Land 10 Limited, a subsidiary of Aegean General Partner Limited, acting as general partner of Aegean Limited Partnership, both registered in Guernsey. There was no ultimate controlling party.

13. Company Information

The Company is a Private Company limited by shares and is incorporated in England. The address of the registered office is 6th Floor 125 London Wall, London, EC2Y 5AS.