Akoya REITco Limited

Directors' Report and Financial Statements

Period Ended

31 December 2020

Company Number 12231633

Akoya REITco Limited

Company Information

Directors	D Turner D Nigam N I Cahoon
Company secretary	BDO LLP
Registered number	12231633
Registered office	55 Baker Street London W1U 7EU
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

Akoya REITco Limited

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Akoya REITco Limited

Directors' Report
for the Period Ended 31 December 2020

The Directors present their report and the financial statements for the period ended 31 December 2020.

The company was incorporated on 27 September 2019.

Principal activity

The principal activity of the company is to be a REIT listed company on The International Stock Exchange. The REIT structure’s objective is to invest in real estate with a focus on generating positive cash flow and maximising each assets value through capital improvements and renovations and, in particular, but without limitation; the properties as investments and to actively manage the assets in accordance with the relevant approved business plans.

Results and dividends

The loss for the period, after taxation, amounted to £2,176,282.

During the period no dividends were paid.

Directors

The Directors who served during the period were:

W G Aimes (appointed 27 September 2019, resigned 10 October 2019)
D Turner (appointed 27 September 2019)
D Nigam (appointed 10 October 2019)
N I Cahoon (appointed 10 October 2019)

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus (“Covid-19”) to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. The full extent to which the Covid-19 pandemic may impact company’s results, operations or liquidity is uncertain. Management continues to monitor the impact that the Covid-19 pandemic has on the underlying portfolio and its effect on the company. Management undertook an analysis of the portfolio to evaluate the sector exposure and identify any high-risk industries that could pose a risk to rent collection during the pandemic. Where tenants did seek financial support, due diligence was undertaken to assess their financial strength, appraising up to date accounts as well as a review of the company’s balance sheet. A decision was then made on a case-by-case basis on whether assistance was required and if so, the level of assistance granted, ranging from monthly rent payments to rent deferment agreements. Since the pandemic began, rent collection has been tracked closely with Property Manager, MAPP. Contact was made directly with tenants to ensure timely payment of rent due.

It is not possible to quantify the overall impact of Covid-19 as financial markets continue to react to developments, management have a number of actions that they are able to take to protect profitability and solvency. As at 24 December 2020, excluding deferred rent payments, 97.5% of rent due was collected across the portfolio. Having performed this analysis management believes the company has sufficient liquidity to meet its liabilities for the for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

Covid-19 has generally had a negative impact on the property sector, albeit it has led to an acceleration of trends which we were already starting to see pre-pandemic. These trends include a “flight to quality” and a more stringent focus on a property’s ESG credentials. Office rental values within London have remained relatively robust albeit transaction and leasing volumes have slowed. In the last three months we have seen an increase in activity as a result of the vaccine roll out and we are expecting occupational demand to continue to improve throughout the remainder of 2021, subject to no new variants and/or lockdowns coming to light. Demand for good quality office space and “neighbourhood offices” has increased significantly, with demand increasing in affluent London suburbs as occupiers reconsider their need to be located in the more traditional and established office locations such as the West End or City markets. In respect of the valuations prepared by Cushman & Wakefield, the impact of Covid-19 has been reflected and we have seen increased void periods and rent-free allowances built into cashflows, along with capitalisation rates softening for certain assets. The real estate assets in the Akoya portfolio are situated in affluent neighbourhoods and areas that historically have not been over-supplied with office stock. Whilst many occupiers still wish to have a presence in London, the need or importance for some tenants to be situated within the more traditional and established markets has diminished. There is less necessity to be situated in the City or the West End, and tenants recognise that they can still have a presence by being located in key suburban areas, typically with the benefit of reduced rental costs, the convenience of a shorter commute and more flexible office space. Cushman & Wakefield deemed that the office assets within the Akoya portfolio fit into this category and have been more resilient against the effects of Covid-19 in comparison to more traditional office markets.

As part of their going concern review, the Directors have reviewed the current and projected financial position of the group. As part of the review, the group has scrutinised the company model as well as the individual asset business plans, considered its cash balances, undrawn debt facilities, the long-term nature of the tenant leases and as well as carefully considering the impact on the group of the COVID-19 pandemic. Given the gross undrawn available commitment from investors, the available unsecured debt facilities and strength of the real estate assets the Directors are confident that there are adequate resources available to the company and group to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements and will provide a letter of comfort to companies within the structure.

Post balance sheet events

Acquisitions

On 6 May 2021 Akoya Croydon Limited completed on the purchase of Knollys House and Stephenson House in Croydon. The purchase price of the assets was £32,715,748.

Liquidations

On 9 April 2021 a liquidator was appointed for the following subsidiaries in a Members Voluntatry Liquidation:

Pearl UK Midco Limited
Pearl UK Holco Limited
House Owners Investments Limited
House Owners Investments (London) Limited

All entities were solvent at the point of appointment.

Debt Assignment

On 1 April 2021 Akoya REITCo Limited converted residual shareholder balances between Akoya Limited Partnership, Akoya Bidco Limited and Akoya Bidco 2 Limited to capital by way if issuing share capital and share premium within the wholly owned subsidiaries for the amounts of £758,574, £1,795,836 and £2,802,011.

Share Issuance

On 1 April 2021 capital contributions in Akoya Bidco 2 Limited were converted into share capital and share premium. The amounts of these contributions were £6,796,221 and £12,105,609 respectively.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

....
D Turner
Director

Date: 20 July 2021

Independent Auditor's report to Akoya REITco Limited

Opinion

We have audited the financial statements of Akoya REITco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2020 which comprise the Consolidated Profit and Loss account, Consolidated and Company Statements of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year 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 group and parent 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 as applied to listed entities 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. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included evaluating management's cash flow forecasts to the period to 30 July 2022, including review of sensitivity analysis. We concluded that the directors' assessment was appropriate in the circumstances and have no key observations to make.

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 group's or the parent 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.

Summary of our audit approach

Key audit matters	**Group** Investment property valuation **Parent Company** No key audit matters
Materiality	**Group** • Overall materiality: £1,970,000 • Performance materiality: £1,480,000 **Parent Company** • Overall materiality: £1,520,000 • Performance materiality: £1,140,000

Independent Auditor’s report to Akoya REITco Limited (continued)

Scope	Our audit procedures covered 79% of revenue, 100% of total assets and 89% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in relation to the parent company.

Valuation of Investment Property	
Key audit matter description	The Group owns a portfolio of commercial investment properties in Greater London. The total value of the portfolio at 31 December 2020 was £185 million. The Group either acquires sites which are already let, or sites that it plans to develop in the future. The Directors’ assessment of the value of the investment properties at year end date, is considered a key audit matter due to the magnitude of the total amount, the potential impact of the movement in value on the reported results, and the subjectivity and complexity of the valuation process. The valuation is carried out by external valuers, Cushman & Wakefield plc, in line with the methodology set out in note 11.
How the matter was addressed in the audit	We audited the independent valuations of investment properties to ensure that, where appropriate, they had been prepared on a consistent basis for all properties, and in accordance with RICs standards. We considered whether these were correctly recorded in the financial statements in line with the requirements of the Accounting Standards. We assessed the external valuer’s qualifications and expertise. We engaged a property valuation specialist as our auditor expert to assist in the review of the valuations. They provided us with sector specific data to assist in our challenge of the assumptions applied by the valuer. In addition, we selected a sample of sites that were either individually material or had valuation or yield movements that were higher or lower than expected from our overall review of the portfolio and requested our auditor expert to complete a detailed valuation review. We discussed with the Asset Manager and the valuer the overall movement in property values giving consideration to the current occupancy of the properties and the future plans for each asset, as well as the impact of Covid19. We also specifically discussed any properties whose movement was not consistent with overall movements of the entire portfolio, to gain an understanding of why these exceptions were reasonable. All sites were valued at fair value using a methodology which is commonly applied in this sector. We discussed the methodology with the Asset Manager, the valuer, and the auditor’s expert to ensure these were the most appropriate valuation methodologies for each property type. We tested inputs provided by the asset manager to the valuer to ensure these reflected the key observable inputs for each property.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,970,000	£1,520,000
Basis for determining overall materiality	1% of gross assets	1.8% of gross assets
Rationale for benchmark applied	Total assets used as a benchmark as assessed that the shareholders will be primarily interested in the growth in the value of the property portfolio, represented by the property valuation.	Total assets used as a benchmark as assessed that the shareholders will be primarily interested in the growth in the value of of investments held by the parent company in its property holding subsidiaries.
Performance materiality	£1,480,000	£1,140,000
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £98,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £76,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 13 components, located in the UK and Jersey.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	3	0%	3%	47%
Specific audit procedures	5	79%	97%	43%
Total	**8**	**79%**	**100%**	**89%**

Full scope audits were performed for 3 components, specific audit procedures for 5 components and analytical procedures at group level for the remaining 5 components.

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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 exemption, from the requirement to prepare a strategic report or in preparing the members' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 group's and the parent 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, and tax legislation specific to REITs. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included agreeing the financial statement disclosures to underlying supporting documentation, review of board meeting minutes, and enquiries with management.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, and specific regulations applying to landlords. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations and inspected legal expenditure and board minutes in the period to identify any potentially undisclosed non-compliance.

The group audit engagement team identified the risk of management override of controls and management bias in accounting estimates as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We evaluated whether there was evidence of bias by management in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment properties where we engaged an auditors expert to review a sample of the year end valuations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

RSM UK Audit LLP

Euan Banks (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 21 July 2021

Akoya REITco Limited

Consolidated Statement of Comprehensive Income for the Period Ended 31 December 2020

	Note	Period ended 31 December 2020 £
Turnover	4	**7,419,284**
Gross profit		**7,419,284**
Administrative expenses		**(2,599,051)**
Revaluation of investment property		**(6,317,799)**
Operating loss		**(1,497,566)**
Interest receivable and similar income	7	**302**
Interest payable and expenses	8	**(953,488)**
Loss before taxation		**(2,450,752)**
Tax on loss	9	**274,470**
Loss for the financial period		**(2,176,282)**
Total comprehensive income for the period		**(2,176,282)**

All amounts relate to continuing operations.

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

Akoya REITco Limited
Registered number:12231633

Consolidated Statement of Financial Position
As at 31 December 2020

	Note		2020 £
Fixed assets			
Investment property	11		**184,985,650**
			184,985,650
Current assets			
Debtors: amounts falling due within one year	12	**6,236,847**	
Cash at bank and in hand		**5,269,707**	
Total current assets		**11,506,554**	
Creditors: amounts falling due within one year	13	**(9,406,049)**	
Net current assets			**2,100,505**
Total assets less current liabilities			**187,086,155**
Loans and borrowings	14		**(108,173,397)**
Net assets			**78,912,758**
Capital and reserves			
Share capital	15		**15**
Share premium account	16		**81,089,025**
Profit and loss account	16		**(2,176,282)**
			78,912,758

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf. on 20 July 2021

....
D Turner
Director

Date: 20 July 2021

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

Akoya REITco Limited
Registered number:12231633

Company Statement of Financial Position
As at 31 December 2020

	Note		2020 £
Fixed assets			
Investments	10		**80,739,040**
			80,739,040
Current assets			
Debtors: amounts falling due within one year	12	**5,271,860**	
		5,271,860	
Creditors: amounts falling due within one year	13	**(5,267,686)**	
Net current assets			**4,174**
Total assets less current liabilities			**80,743,214**
Net assets			**80,743,214**
Capital and reserves			
Share capital	15		**15**
Share premium account	16		**81,089,025**
Profit and loss account			**(345,826)**
			80,743,214

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent entity for the year was £345,826.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2021

....
D Turner
Director

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

Consolidated Statement of Changes in Equity
for the Period Ended 31 December 2020

	Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	**-**	**-**	**(2,176,282)**	**(2,176,282)**
Shares issued during the period	**15**	**81,089,025**	**-**	**81,089,040**
At 31 December 2020	**15**	**81,089,025**	**(2,176,282)**	**78,912,758**

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

Akoya REITco Limited

Company Statement of Changes in Equity
for the Period Ended 31 December 2020

	Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	**-**	**-**	**(345,826)**	**(345,826)**
Shares issued during the period	**15**	**81,089,025**	**-**	**81,089,040**
At 31 December 2020	**15**	**81,089,025**	**(345,826)**	**80,743,214**

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

1. General information

Akoya REITco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the group's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

As part of their going concern review, the Directors have reviewed the current and projected financial position of the group. As part of the review, the group has scrutinised the company model as well as the individual asset business plans, considered its cash balances, undrawn debt facilities, the long-term nature of the tenant leases and as well as carefully considering the impact on the group of the COVID-19 pandemic. Given the gross undrawn available commitment from investors, the available unsecured debt facilities and strength of the real estate assets the Directors are confident that there are adequate resources available to the partnership and group to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements and will provide a letter of support to the active companies within the structure. Further details can be found in the Directors Report.

2. Accounting policies (continued)

2.4 Turnover

The company's turnover is derived solely from payments arising from operating lease contracts. Therefore, the payments are credited to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. This is representative of the pattern in which benefit from the use of the underlying asset is diminished.

Rent receivable is recognised on a straight-line basis over the period of the lease. Where an incentive (such as a rent free period) is given to a tenant, the carrying value of the investment property excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

2.5 Interest income

Interest income is recognised as interest accrues on cash balances held by the Group. Where any interest is charged to a tenant on any overdue rental income, this would also be recognised within interest income.

2.6 Finance costs

Any finance costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete are capitalised as part of the cost of the asset. All other finance expenses are recognised in the period in which they relate. Finance cost consists of interest and other costs that an entity incurs in connection with bank and other borrowings.

2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2. Accounting policies (continued)

2.8 Investment property

The Group's Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the consolidated statement of comprehensive income. No depreciation is provided.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

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

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Creditors

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

2.13 Financial instruments

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

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found,

2. Accounting policies (continued)

2.13 Financial instruments (continued)

an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Critical accounting estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair valuation of investment property

The partnership obtains valuations performed by external valuers in order to determine the fair value of its investment property. The valuation is based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuers also make reference to market-based evidence of transaction prices for similar properties. Further information in relation to the valuation of investment property is disclosed in note 11 to the financial statements.

4. Turnover

Turnover arising from:

	Period ended 31 December 2020 £
Rental income	**7,301,945**
Insurance income	**84,143**
Miscellaneous income	**33,196**
	7,419,284

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	Period ended 31 December 2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**85,000**

6. Employees

The Group and Company have no employees other than the Directors, who did not receive any remuneration. The Directors are considered to be the key management personnel of the group and are remunerated by a company under common control and is not recharged.

7. Interest receivable

	Period ended 31 December 2020 £
Bank interest receivable	**302**

8. Interest payable and similar expenses

	Period ended 31 December 2020 £
Bank interest payable	**14**
Bank loan interest payable	**953,474**
	953,488

9. Taxation

	Period ended 31 December 2020 £
Corporation tax	
Current tax on losses for the year	**641,530**
Total current tax	**641,530**
Deferred tax	
Origination and reversal of timing differences	**(916,000)**
Total deferred tax	**(916,000)**
Taxation on loss on ordinary activities	**(274,470)**

10. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
Additions	**80,739,040**
At 31 December 2020	**80,739,040**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Akoya Bidco Limited	Ordinary	100%
Akoya Bidco 2 Limited	Ordinary	100%
Akoya Bidco 3 Limited	Ordinary	100%
Akoya Lonsdale Limited *	Ordinary	100%
Akoya NW Works Limited *	Ordinary	100%
Pearl UK Midco Limited **	Ordinary	100%
Pearl UK Holdco Limited **	Ordinary	100%
House Owners Investments Limited **	Ordinary	100%
House Owners Investments (London) Limited **	Ordinary	100%
Akoya Netil House Limited *	Ordinary	100%
Rachel Securities Limited **	Ordinary	100%
Akoya Power Road Limited *	Ordinary	100%
Akoya Salusbury Limited *	Ordinary	100%
Allenby Investment Holdings Limited **	Ordinary	100%
Akoya Carlson Limited *	Ordinary	100%
Akoya Propco 4 Limited *	Ordinary	100%

The registered office address for all of the subsidiaries is 55 Baker Street, London, W1U 7EU.

* Indirectly held
** Indirectly held and also acquired during the year. Please see note 17 for further details.

11. Investment property

Group

	Freehold investment property £
Valuation	
Additions at cost	**73,838,799**
Deficit on revaluation	**(6,317,799)**
On acquisition of subsidiaries (see note 17)	**117,464,650**
At 31 December 2020	**184,985,650**

The Company has investment properties totalling £185 million as at 31 December 2020. The investment property is carried at its fair value as determined by an external valuer. The valuation has been conducted by Cushman & Wakefield who provide independent valuations for all properties on a six-monthly basis in accordance with the RICS Red Book. The asset and investment manager is experienced and has extensive knowledge of the property market and as such are able to review the underlying the individual property valuations and has concluded that the valuation is appropriate.

The assumptions are based upon comparable market evidence obtained by the Cushman & Wakefield. This comparable evidence is detailed within each of the valuation reports with commentary as to how they formed their assumptions. The valuations are then updated twice a year, taking into account market evidence, along with evidence of actual performance of each real estate asset, such as recent leasing transactions.

12. Debtors

	Group 2020 £	Company 2020 £
Trade debtors	**1,021,535**	**-**
Amounts owed by group undertakings	**-**	**249,789**
Other debtors	**4,897,203**	**5,022,071**
Prepayments and accrued income	**318,109**	**-**
	6,236,847	**5,271,860**

13. Creditors: Amounts falling due within one year

	Group 2020 £	Company 2020 £
Trade creditors	**568,210**	**4,180**
Amounts owed to parent undertakings	**5,376,219**	**5,263,506**
Corporation tax	**799,187**	**-**
Other creditors	**1,341,053**	**-**
Accruals and deferred income	**1,321,380**	**-**
	9,406,049	**5,267,686**

14. Loans and borrowings

	Group 2020 £
Non-current	
Bank loans	**108,173,397**

On 10 December 2019, a term loan facility agreement for £53,100,000 was entered into with Sumitomo Mitsui Banking Corporation (SMBC). The loan is to be drawn down in 2 terms of £46,100,000 and £7,000,000 respectively. On the issue date £46,100,000 was drawn down (term 1) and accrues interest at at a 0.95% applicable margin above LIBOR. Interest is payable on 10 December 2024. On 3 April 2020, the group drew down £1,039,283 of the available £7,000,000 facility (term 2). A balance of £5,960,717 remains available to be drawn down up to the date one month prior to the final maturity date. Interest on term 2 accrues at a 1.00% applicable margin above LIBOR. Interest is payable on 10 December 2024. The facility is repayable on 10 December 2024, five years from the first utilisation date.

On 21 October 2020, a facility agreement for £89,400,000 was entered into with Overseas Chinese Banking Corporation (OCBC). £34,112,153 was drawn down on 21 October 2020, £10,053,275 was drawn down on 26 October 2020 and a further £17,420,252 was drawn down on 18 November 2020. A balance of £27,814,320 remains available to be drawn down up to the date one month prior to the final maturity date. Interest on this facility accrues at 1.22% + LIBOR per annum. Interest is payable on 21 April 2021. The facility is repayable on 21 October 2025, five years from the first utilisation date.

The above loans have a unconditional guarantee provided by Europe Realty Holdings Pte Limited, a company under common control. The guarantee is for up to 99% of all payments due by the group. Additionally a letter of comfort has been provided by GIC (Realty) Private Limited, the ultimate parent company.

15. Share capital

	2020 £
Allotted, called up and fully paid	
15 Ordinary shares of £1.00 each	**15**

On incorporation the company issued 10 Ordinary shares for a total consideration of £19,001,849.

On 10 October 2019, 1 Ordinary share was issued for a total consideration of £26,233,818.

On 6 May 2020, 4 Ordinary shares were issued for a total consideration of £35,853,372.

16. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

17. Business combinations

On 10 October 2019 the group acquired 100% of the voting equity instruments of Pearl UK Midco Limited.

Details of the fair value of identifiable assets and liabilities acquired and purchase consideration are as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Investment property	76,764,650	76,764,650
	76,764,650	76,764,650
Trade and other receivables	2,221,794	2,221,794
Cash at bank and in hand	128,483	128,483
Total assets	79,114,927	79,114,927
Due within one year	(51,870,466)	(51,870,466)
Total identifiable net assets	27,244,461	27,244,461

Consideration

	£
Cash	27,244,461
Total purchase consideration	27,244,461

17. Business combinations (continued)

On 23 December 2019 the group acquired 100% of the voting equity instruments of Rachel Securities Limited.

Details of the fair value of identifiable assets and liabilities acquired and purchase consideration are as follows:

	Book value	Fair value
Investment property	**24,200,000**	24,200,000
	24,200,000	24,200,000
Trade and other receivables	**28,863**	28,863
Cash at bank and in hand	**87,500**	87,500
Total assets	**24,316,363**	24,316,363
Due within one year	**(185,338)**	(185,338)
Deferred tax on differences between fair value and tax bases	**(810,000)**	(810,000)
Total identifiable net assets	**23,321,025**	23,321,025

	£
Consideration	
Cash	**23,321,025**
Total purchase consideration	**23,321,025**

17. Business combinations (continued)

On 3 November 2020 the group acquired 100% of the voting equity instruments of Allenby Investment Holdings Limited.

Details of the fair value of identifiable assets and liabilities acquired and purchase consideration are as follows:

	Book value	Fair value
Investment property	**16,500,000**	16,500,000
	16,500,000	16,500,000
Debtors	**1,187**	1,187
Total assets	**16,501,187**	16,501,187
Due within one year	**(9,029,550)**	(9,029,550)
Total identifiable net assets	**7,471,637**	7,471,637

	£
Consideration	
Cash	**7,471,637**
Total purchase consideration	**7,471,637**

18. Related party transactions

The Group has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

During the year the group incurred asset management fees of £975,251 to Brunswick Property Partners a related company under common control. As at 31 December, £307,525 was due to Brunswick Property Partners.

19. Post balance sheet events

Acquisitions

On 6 May 2021 Akoya Croydon Limited completed on the purchase of Knollys House and Stephenson House in Croydon. The purchase price of the assets was £32,715,748.

Liquidations

On 9 April 2021 a liquidator was appointed for the following subsidiaries in a Members Voluntatry Liquidation:

Pearl UK Midco Limited
Pearl UK Holco Limited
House Owners Investments Limited
House Owners Investments (London) Limited

All entities were solvent at the point of appointment.

Debt Assignment

On 1 April 2021 Akoya REITCo Limited converted residual shareholder balances between Akoya Limited Partnership, Akoya Bidco Limited and Akoya Bidco 2 Limited to capital by way if issuing share capital and share premium within the wholly owned subsidiaries for the amounts of £758,574, £1,795,836 and £2,802,011.

Share Issuance

On 1 April 2021 capital contributions in Akoya Bidco 2 Limited were converted into share capital and share premium. The amounts of these contributions were £6,796,221 and £12,105,609 respectively.

20. Controlling party

The company's immediate parent company is Akoya Limited Partnership, a partnership registered in England and Wales.

The ultimate controlling parent company is GIC (Realty) Private Limited, a company incorporated in Singapore, under the control of the minister of finance for the government of Singapore.

Akoya Limited Partnership, a partnership incorporated in in England and Wales, is the largest and smallest company in the group of which the company is a member which prepares consolidated accounts.