THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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DIRECTORY

Registered Office
44 Esplanade
St Helier
Jersey, JE4 9WG

Auditor
Grant Thornton Limited
PO Box 313, Lefebvre House
Lefebvre Street, St Peter Port
Guernsey, GY1 3TF

Property Manager
London Central Portfolio Limited
LCP House, Ogle Street
London, W1W 6HU

Administrator, Transfer Agent, Registrar and Listing Sponsor
Intertrust Fund Services (Guernsey) Limited
PO Box 119, Martello Court
Admiral Park
St Peter Port
Guernsey, GY1 3HB

Bankers in Guernsey
Butterfield Bank (Guernsey) Limited
PO Box 253
Martello Court
Admiral Park
St Peter Port
Guernsey, GY1 3QJ

Legal Advisors to the Fund in Jersey
Carey Olsen
47 Esplanade
St Helier
Jersey, JE1 0BD

Property Lawyers
William Sturges LLP
Burfood House, 14-16 Caxton Street
London, SW1H 0QY

Independent Valuers
Adelaide Jones & Co. Ltd
116 Seymour Place
London, W1H 1NW

Investment Advisors
LCP Capital Investments Limited
LCP House, Ogle Street
London, W1W 6HU

REPORT OF THE DIRECTORS

The Directors present their annual report and audited financial statements of The London Central Residential Recovery Fund Limited (the "Company") for the year ended 31 March 2021.

Status and activities

The Company is a closed ended limited liability public company which is an Unregulated Exchange Traded Fund and was incorporated in Jersey on 10 March 2009 under the Companies (Jersey) Law 1991 (as amended) with registration number 102781 and admitted to trading on The International Stock Exchange on 22 January 2010. On 17 March 2010, 13,697.50 ordinary shares were issued to shareholders. A further 54,603.55 ordinary shares were issued on 16 April 2010.

The Company's objective is to deliver a consistently good market performance from an individually selected and diversified portfolio of prime residential property in Central London and to optimise the total return through a combination of rental yield and capital appreciation.

Going Concern

The Company's net rental income, access to loan facilities with Butterfield Bank (Guernsey) Limited ("the Bank") and property disposals currently finance the Company's operations. The loan facility with the Bank is due to expire on 31 January 2022. The Bank's local Credit Committee have confirmed that they are willing to extend the loan for a further 2 years. Further details of the loan facility are provided in note 14.

As previously reported, the Company has passed the end of the defined 8-year Investment Period detailed in the Private Placement Memorandum dated March 2009 (“PPM”). At each Annual General Meeting (“AGM”) since the expiry of the Investment Period, the Directors were required to put forward a Special Resolution (“SR”) to initiate a solvent summary winding-up of the Company. The SR will therefore be voted for again at the next AGM scheduled for December 2021.

At the date of signing these financial statements, the Board note that there is a material uncertainty as to how shareholders will vote at the next AGM. The Board however, believe it is highly likely that they will make a recommendation to shareholders to vote against the Special Resolution to wind up the Company as market conditions have not changed materially from when the process was undertaken in 2020. If the Directors decide to recommend to the shareholders to vote against the Special Resolution, the Board is of the opinion that there is every likelihood that the shareholders will vote against this based on previous votes.

The Directors have carefully assessed the impact of the market uncertainties arising from the outbreak of the COVID-19 pandemic on the Company's net assets and ability to continue as a going concern for the foreseeable future. In light of this review, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Directors' responsibilities

The Directors are responsible for preparing the annual report and financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period and are in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 ("FRS 102") 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and with applicable laws. In preparing those financial statements the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Jersey) Law, 1991 (as amended). 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 irregularities.

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Results and dividends

The results for the year are shown in the Statement of Comprehensive Income on page 13. The Company did not pay a dividend and the Directors do not recommend a dividend for the year.

Directors and their interests

The Directors of the Company who served during the year ended 31 March 2021 and to date are:

Peter Francis Griffin (Chairman)
Naomi Claire Helen Heaton
Martin Shires (appointed on 1 April 2020)
Richard John Crowder (resigned on 1 April 2020)

The Directors' interest in the Ordinary Shares of the Company were as follows:

	31 March 2021 Ordinary shares	31 March 2020 Ordinary shares
Peter Francis Griffin	nil	nil
Naomi Claire Helen Heaton	250	250
Martin Shires	nil	n/a
Richard John Crowder	nil	nil
Denton & Co Trustees Limited	600	600

Denton & Co Trustees Limited is a company holding shares in which Naomi Claire Helen Heaton has an interest as a Beneficiary and Settlor.

Directors' remuneration

The emoluments of the individual Directors for the period were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Peter Francis Griffin	12,500	12,500
Naomi Claire Helen Heaton	nil	nil
Martin Shires	12,500	n/a
Richard John Crowder	n/a	12,500

REPORT OF THE DIRECTORS (continued)

Naomi Heaton is the Chair of London Central Portfolio Limited and LCP Capital Investments Limited. London Central Portfolio Limited are engaged by the Company as Property Managers pursuant to the terms of the Search & Purchase Management Agreement, Letting & Rental Management Agreement and Refurbishment & Furnishing Agreement. LCP Capital Investments Limited are engaged by the Company as Investment Advisors pursuant to an agreement concerning provision of investment advice.

Intertrust Fund Services (Guernsey) Limited are engaged as Administrator to the Company pursuant to the terms of an Administration Agreement and is part of the Intertrust Group.

Substantial shareholdings

At 31 March 2021 the issued share capital of the Company was 68,301.05 (2020: 68,301.05) ordinary shares of £0.01 each. At 31 March 2021 the following shareholders had interest of 3% or more in the issued Ordinary Shares of the Company.

	Number of Ordinary Shares	**% of issued ordinary share capital**
Gately Custodian and Nominee Services Limited	27,064	39.62

Financial instruments and risk management

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in note 22 to the financial statements.

Auditor

Grant Thornton Limited have indicated their willingness to continue in their capacity as auditors and a resolution to re-appoint them will be proposed at the next Annual General Meeting.

APPROVED BY THE BOARD OF DIRECTORS

Martin Shires

……………………………………

Martin Shires

Director

Date: 30 September 2021

Independent auditor's report
To the shareholders of The London Central Residential Recovery Fund Limited

Opinion

We have audited the financial statements of The London Central Residential Recovery Fund Limited ('the Company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and 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' (FRS 102).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of the Company's loss for the year then ended;
- are in accordance with FRS 102; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 Jersey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants 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.

Material uncertainty related to going concern

We draw attention to note 4 in the financial statements which states that there is a material uncertainty in relation to the outcome of the Discontinuation Vote expected to be held in December 2021, which casts significant doubt over the ability of the Company to continue as a Going Concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

We describe below how our audit responded to the risk relating to going concern:

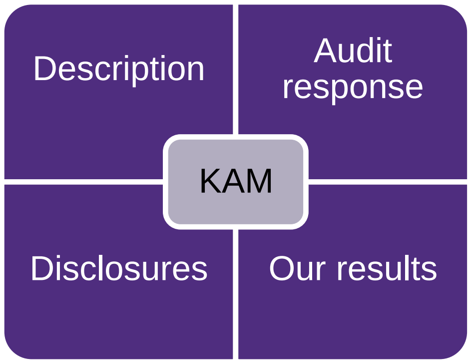
1. The audit engagement leader increased time spent directing and supervising the audit procedures on going concern;
2. We assessed the determination, made by the Board of Directors of the Company, that the Company is a going concern and the appropriateness of the financial statements to be prepared on a going concern basis;
3. We challenged the appropriateness of management's assessment of the likely outcome of the vote by considering the historical shareholder voting behaviour in relation to the Directors' and Investment Advisor's recommendations; and
4. We assessed the disclosures in the financial statements relating to going concern, including the material uncertainty, to ensure they were fair, balanced and understandable and in compliance with FRS102.

Our approach to the audit

Overview of our audit approach
Overall materiality: £129,0000, which represents 2% of the Company's net assets as at 31 March 2021.
Key audit matters were identified as • Valuation of investment properties (Same as previous year) Our auditor's report for the year ended 31 March 2020 included the same key audit matters that has been reported as key audit matters in our current year's report.
There had been no significant changes in scoping from previous year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified. These matters included those that 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our scope addressed the matter

Valuation of investment properties
 	
The Company's investment properties are the most significant area of the financial statements, with a value of £23.9 million at the year end (2020: £30.1 million). As at 31 March 2021 investment properties made up 99% (2020:99%) of the Company's gross asset value.
 	
The Company's investment property portfolio comprises of prime residential property in central London.
 	
The Company holds its investment properties at fair value. Given the nature of these assets, the valuation process is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income for that particular property.
 	
The valuation for the Company's property portfolio was carried out by Third Party Valuers. The Valuers were engaged by the Company, and performed their work in accordance with the Royal Institution of Chartered Surveyors Valuation.
 	
The valuation of the investment properties is therefore an area of significant judgement and a risk that requires special audit attention.
 	
The Company's accounting policy and other disclosures on investment properties are included in note 6 and 11 to the financial statements.
	In responding to the key audit matter, we performed the following audit procedures:
	
	• Updating our understanding of the processes, policies and methodologies, and controls in relation to the valuation and measurement of properties and perform walkthrough tests to assess the design and implementation of key controls.
	
	• Obtaining an understanding of the valuation method the Company applies to value their investment properties and assessing whether it is based on an acceptable valuation framework;
	
	• Evaluating the qualifications and independence of Management's expert engaged to perform the valuation;
	
	• Obtaining property valuation reports from the independent valuers and
	    ○ evaluating the reasonableness of the methodology used; and
	    ○ testing the assumptions and inputs used in the comparable market data; and
	
	• Discussing key assumptions made and corroborating these against external information available.
	
	• Vouching valuation inputs that do not require specialist knowledge to independent sources and test the arithmetical accuracy of the calculations.
	
	Key observations
	
	Based on our audit work, we are satisfied that the investment properties are fairly stated in accordance with the financial reporting framework adopted by the Company and the Company's accounting policies.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	We determined materiality for the Company to be £129,000 which approximates 2% of net assets. (2020: £181,000 which is 2% of net assets.)
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • The Company is listed on The International Stock Exchange ("TISE"); and • Net assets is the key performance indicator that is relevant to the shareholders of the Company and key users of its financial statements. Materiality for the current year is lower than the level that we determined for the year ended 31 March 2021 due to decrease in net assets.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	We determined performance materiality at £96,000 which approximates 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining our performance materiality, we made considered our risk assessment, including our assessment of the Company's overall control environment.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£6,500 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 3 to 5, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, 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 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.

Auditor's responsibilities for the audit of the financial statements (cont.)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Section 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Carpenter

Michael Carpenter
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

Date: 30 September 2021

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021	31 March 2020
		£	£
REVENUE			
Rental income		714,049	900,251
Gross profit		714,049	900,251
Administrative expenses	9	(180,150)	(217,234)
Property expenses	10	(308,794)	(443,117)
		(488,944)	(660,351)
OPERATING PROFIT		225,105	239,900
(Loss)/profit on disposal of investment properties		(272,004)	13,332
Fair value loss on investment properties	11	(2,049,547)	-
Interest expense	14	(498,903)	(594,275)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,595,349)	(341,043)
Loss per share (pounds per share)	18	(38.00)	(4.99)

The Company has no other comprehensive income other than that shown above and therefore no additional disclosure has been made in respect of other comprehensive income.

The results are all derived from continuing operations.

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	31 March 2021		31 March 2020	
		£	£	£	£
FIXED ASSETS					
Investment properties	11		23,390,000		30,100,109
Furniture and fittings	12		-		2,405
			23,390,000		30,102,514
CURRENT ASSETS					
Debtors and prepayments	13	143,445		100,528	
Cash at bank		78,750		78,750	
		222,195		179,278	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
Other creditors and accruals	15	822,985		901,429	
Loan payable	14	16,336,596		-	
		17,159,581		901,429	
NET CURRENT LIABILITIES			(16,937,386)		(722,151)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,452,614		29,380,363
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Loan payable	14		-		(20,332,400)
NET ASSETS			6,452,614		9,047,963
CAPITAL AND RESERVES					
Share capital	16		685		685
Share premium	17		6,265,737		6,265,737
Retained earnings			186,192		2,781,541
SHAREHOLDERS' FUNDS			6,452,614		9,047,963
Net asset value per share (pounds per share)	19		94.47		132.47

The financial statements were approved and authorised for issue by the board on the 30 September 2021 and signed on its behalf by:

Martin Shires

Martin Shires
Director

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance as at 1 April 2019	**685**	**6,265,737**	**3,122,584**	**9,389,006**
Loss for the year	-	-	(341,043)	(341,043)
Balance as at 31 March 2020	**685**	**6,265,737**	**2,781,541**	**9,047,963**
Loss for the year	-	-	(2,595,349)	(2,595,349)
Balance as at 31 March 2021	**685**	**6,265,737**	**186,192**	**6,452,614**

THE LONDON CENTRAL RESIDENTIAL RECOVERY FUND LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Cash flows from operating activities			
Operating profit for the year		225,105	239,900
Add back depreciation charge	12	2,405	19,655
(Increase)/Decrease in operating debtors		(42,917)	50,805
(Decrease)/Increase in operating creditors		(78,444)	50,215
Interest paid		(498,903)	(594,275)
Net cash (used in) operating activities		**(392,754)**	**(233,700)**
Cash flows from investing activities			
Sale of investment property		4,432,996	22,355
Refurbishment of investment properties	11	(44,438)	(9,132)
Net cash generated from investing activities		**4,388,558**	**13,223**
Cash flows from financing activities			
Loans (repaid)/received		(3,995,804)	220,477
Net cash (used in)/generated from financing activities		**(3,995,804)**	**220,477**
Net cash outflow for the year		-	-
Cash at beginning of year		78,750	78,750
Cash at end of year		**78,750**	**78,750**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. COMPANY INFORMATION

The London Central Residential Recovery Fund Limited (the "Company") is a closed ended limited liability public company which is an Unregulated Exchange Traded Fund and was incorporated in Jersey on 10 March 2009 under the Companies (Jersey) Law 1991 (as amended) and admitted to trading on The International Stock Exchange on 22 January 2010.

The objective of the Company as a whole is to carry on business as an investment company specialising in property.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102") 'The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland'.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including FRS102, and with the Companies (Jersey) Law 1991 (as amended). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

The Company's functional and presentation currency is Sterling (£).

4. GOING CONCERN

During the year the Company made a net operating profit of £225,105 (2020: profit £239,901). The Company's net rental income, access to loan facilities with Butterfield Bank (Guernsey) Limited ("the Bank") and property disposals currently finance the Company's operations. The loan facility with the Bank is currently due to expire on 31 January 2022. The Bank's local Credit Committee have confirmed that they are willing to extend the loan for a further 2 years. Further details of the loan facility are provided in note 14.

As previously reported, the Company has passed the end of the defined 8-year Investment Period detailed in the Private Placement Memorandum dated March 2009 ("PPM"). At each Annual General Meeting ("AGM") since the expiry of the Investment Period, the Directors were required to put forward a Special Resolution ("SR") to initiate a solvent summary winding-up of the Company. The SR will therefore be voted for again at the next AGM scheduled for December 2021.

At the date of signing these financial statements, the Board note that there is a material uncertainty as to how shareholders will vote at the next AGM. The Board however, believe it is highly likely that they will make a recommendation to shareholders to vote against the Special Resolution to wind up the Company as market conditions have not changed materially from when the process was undertaken in 2020. If the Directors decide to recommend to the shareholders to vote against the Special Resolution, the Board is of the opinion that there is every likelihood that the shareholders will vote against this based on previous votes.

The Directors have carefully assessed the impact of the market uncertainties arising from the outbreak of the COVID-19 pandemic on the Company's net assets and ability to continue as a going concern for the foreseeable future. In light of this review, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Fair value of investment properties

Accounting estimates included in the financial statements reflect management's judgements based on their knowledge and experience about past and current events and are also based on their assumptions about actions they expect to take. Significant assumptions used by management in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

In accordance with FRS102, Section 16, Measurement after Recognition the Directors have based their assessment of open market value of investment properties included in these financial statements on the independent professional desk top valuation carried out by Adelaide Jones & Co Ltd, acting as an external valuer.

6. ACCOUNTING POLICIES

(6.1) INVESTMENT PROPERTY

Initial recognition:

Investment property is property held by the Company to earn rentals, rather than for:

i. Use in the production or supply of goods or services or for administrative purposes; or
ii. Sale in the ordinary course of business.

At initial recognition, investment property is measured at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Derecognition of investment property:

A property is transferred from investment property only when the property ceases to meet the definition of investment property.

In accordance with FRS102, Section 16, Measurement After Recognition, Investment Property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting date.

(6.2) OPERATING LEASE

Operating leases relate to the investment properties owned by the Company with lease terms of between 1 to 3 years, with an option to extend as may be agreed. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

6. ACCOUNTING POLICIES (continued)

(6.3) RENTAL INCOME

All properties are rented out under operating leases with rental income being accounted for on a straight line basis over the term of the lease.

(6.4) EXPENSES

Expenses are accounted for on an accrual basis.

(6.5) FURNITURE AND FITTINGS

Initial recognition:

The Company measures furniture and fittings at initial recognition at their cost. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after initial recognition:

The Company measures all fixtures and fittings after initial recognition using the cost model and furniture and fittings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of furniture and fittings is calculated on cost at a rate estimated to write off the cost of those assets by equal amounts each year over the expected useful life of those assets. The annual rate used for furniture and fittings is 20%.

Derecognition of fixtures and fittings:

The Company derecognises fixtures and fittings:

i. On disposal; or
ii. When no future economic benefits are expected from their use or disposal.

The Company recognises the gain or loss on the derecognition of fixtures and fittings in profit or loss when the items are derecognised.

(6.6) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instruments. The Company shall off-set financial assets and financial liabilities if the Company has a legally enforceable right to off-set the recognised amounts and interest and intends to settle on a net basis.

Financial Assets

The Company's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Company classifies its financial assets as basic and non basic. Unless otherwise indicated, the carrying amounts of the Company's financial assets are a reasonable approximation of their fair values.

(6.6) FINANCIAL INSTRUMENTS (continued)

Financial Assets (continued)

Loans and receivables

These assets are non-derivative basic financial assets with fixed or determinable payments that are not quoted in an active market. These arise principally through cash and cash equivalents, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transactions costs that are directly attributable to the acquisition on issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial statements is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due. The amount of such a provision being the difference between the net carrying amount and present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents are carried at cost and consist of cash in hand and short term deposits in banks with maturity of three months or less from date of acquisition.

De-recognition of financial assets

A financial asset (in whole or in part) is derecognised either:
- when the Company has transferred substantially all the risk and rewards of ownership; or
- when it has transferred nor retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Any gain or loss on de-recognition is taken to the profit and loss account.

Financial Liabilities

The Company's financial liabilities comprise other creditors and accruals and loans payable which are classified as financial liabilities measured at amortised cost. Unless otherwise indicated, the carrying amounts of the Company's financial liabilities are a reasonable approximation of their fair values.

Financial liabilities measured at amortised cost

Other creditors and accruals and loans payable are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the profit and loss account.

(6.6) FINANCIAL INSTRUMENTS (continued)

Share capital

Financial instruments issued by the Company are treated as equity if they represent the residual interest in the net assets of the Company. The Company's ordinary shares are classified as equity instruments. The Company is not subject to any externally imposed capital requirement.

Effective interest method

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

7. REVENUE AND OPERATING PROFIT

Operating lease commitments

The Company's future minimum operating lease receipts are as follows:

	31 March 2021	31 March 2020
	£	£
Within 1 year	1,064,935	597,316
From 1 year to 3 years	167,507	92,126

8. TAXATION

Guernsey Tax

The Company resides in Jersey but tax resident in Guernsey by virtue of management and control being effected in Guernsey. The Company is therefore liable to Guernsey income tax at the standard rate of 0%.

UK Tax on rental income

With effect from 6 April 2020, the Company is no longer subject to UK Income Tax (20%) on its taxable rental profits and rather is subject to UK Corporation Tax (19%). The new regime for offshore corporate landlords result in a number of fundamental administrative and computational changes that may impact the Company including, but not limited to; loss relief caps, loan interest deductibility restrictions, loan relationship rules, and changes in tax filing and payment deadlines.

Annual Tax on Enveloped Dwellings (ATED)

ATED was introduced with effect from 1 April 2013 such that non-UK companies holding UK residential property may be subject to an annual charge based on the value of each single dwelling interest. However, relief from ATED applies where properties are let at arm’s length commercial terms and this is the case in respect of this Company. The Company files annual Relief Declaration Returns to claim the relief.

8. TAXATION (continued)

UK Capital Gains Tax (CGT)

With effect from 6 April 2015 the UK Capital Gains Tax (CGT) regime was extended to non-resident companies on certain UK property disposals. Relief from CGT applied for diversely held companies up to 5 April 2019 when the regime was again extended. With effect from 6 April 2019 the CGT regime was extended to include Collective Investments Vehicles (CIV) unless it met certain requirements and made an exemption election. The fund has made an exemption election such that no CGT or Corporation Tax (CT) are chargeable on the disposal of UK property.

In order to maintain its exempt status the Company is required to send an annual report to HMRC detailing share disposals in the fund during the reporting period. Investors should seek their own tax advice when making disposals of their shareholdings in the fund.

Inheritance Tax (IHT)

With effect from 6 April 2017, the UK government introduced an extension to the scope of IHT for non-UK domiciled individuals to include all UK residential property, whether or not it is held through a company or directly by a non-UK domiciled individual. This measure does not apply to widely held companies and therefore should not impact the Group. Investors should seek their own tax advice when considering their domicile position and exposure to IHT.

9. ADMINISTRATIVE EXPENSES

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Administration fees (Note 20)	45,000	37,750
Audit fees	17,455	15,300
Legal and professional fees	85,087	131,575
Directors fees	25,000	25,000
Insurance	7,167	6,759
Sundry expenses	441	555
Bank charges	-	295
	180,150	217,234

10. PROPERTY EXPENSES

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Rates and insurance	20,784	30,156
Repairs and maintenance	94,111	85,500
Property management fees (Note 20)	139,981	178,949
Depreciation on furniture and fittings (Note 12)	2,405	19,655
Cleaning and service charges	51,513	128,857
	308,794	443,117

11. INVESTMENT PROPERTIES

	31 March 2021			31 March 2020		
	Freehold investment properties	Leasehold investment properties	Total	Freehold investment properties	Leasehold investment properties	Total
	£	£	£	£	£	£
Opening balance	14,074,781	16,025,328	30,100,109	14,075,000	16,025,000	30,100,000
Sale of properties	(1,300,000)	(3,405,000)	(4,705,000)	(9,023)	-	(9,023)
Refurbishment expenditure	44,438		44,438	8,804	328	9,132
Revaluation	(1,568,242)	(481,305)	(2,049,547)	-	-	-
Closing balance	11,250,977	12,139,023	23,390,000	14,074,781	16,025,328	30,100,109

At 31 March 2021 there was a legal charge registered over all of the Company's 18 investment properties as security for its bank borrowings (see Note 14). In accordance with FRS102, Section 16, Measurement after Recognition the Directors have based their assessment of open market value of investment properties included in these financial statements on the independent professional desk top valuation carried out by Adelaide Jones & Co Ltd, acting as an external valuer. 13 of the investment properties are leasehold all with remaining terms in excess of 20 years. Of the 5 freehold properties, 4 are long leaseholds where the Company also holds a share in the freehold owning company. Accordingly these have been classified by the Directors as freehold. The combined historical cost of the properties is £20,697,791 (2020: £25,358,353).

12. FURNITURE AND FITTINGS

	31 March 2021	31 March 2020
	£	£
COST		
Brought forward	585,021	585,021
Acquisition	-	-
Carried forward	585,021	585,021

	31 March 2021	31 March 2020
	£	£
ACCUMULATED DEPRECIATION		
Brought forward	(582,616)	(562,961)
Charge for the year	(2,405)	(19,655)
Carried forward	(585,021)	(582,616)
CLOSING NET BOOK VALUE	-	2,405

13. DEBTORS AND PREPAYMENTS

	31 March 2021	31 March 2020
	£	£
Prepayments	82,277	8,085
Rent receivable from Property Manager	13,960	47,867
Cash floats held by Property Manager*	31,518	28,886
Service charge deposits	15,690	15,690
	143,445	100,528

* This represents cash-floats retained by the Property Manager to cover sundry costs for each property as they arise. In addition to these cash balances the Property Manager holds in escrow as at 31 March 2021, tenant rent deposits amounting to £70,802 (2020: £87,482). These deposits are held as security for the tenants' performance under the tenancy agreements and have not been included in these financials statements as the Company has no right to these funds unless and until there is any default by any tenant under their tenancy agreement. There have been no defaults during the year (2020: nil).

14. LOANS PAYABLE

	31 March 2021	31 March 2020
	£	£
Butterfield Bank (Guernsey) Limited	16,336,596	20,332,400

Existing loan facilities (detailed below) from Butterfield Bank (Guernsey) Limited (the "Bank") were consolidated and extended under a facility letter dated 21 January 2019. The current facility offered by the Bank to the Company is a maximum loan amount of £20,366,000 (exclusive of fees) for a period of 3 years. The facility is secured by a first charge over the Company's property portfolio.

The above facility replaces the loan facility dated 12 March 2009 for the loan amount of £12,600,000, the loan facility dated 11 August 2014 for the loan amount of £4,500,000 and loan facility dated 7 July 2016 for the loan amount of £4,600,000, all of which were extended to 31 January 2022. The Bank's local Credit Committee have confirmed that they are willing to extend the loan for a further 2 years.

Interest expense for the current year was £498,903 (2020: £594,275).

15. OTHER CREDITORS AND ACCRUALS

	31 March 2021	31 March 2020
	£	£
Amounts falling due within one year:		
Provision for audit fee	16,330	14,850
Administration fees (Note 20)	9,375	9,375
Other creditors	15,907	22,269
Legal and professional fees	102,594	166,983
Deferred income	46,986	100,597
Refurbishment 3 Spring Street	631,793	587,355
	822,985	901,429

16. SHARE CAPITAL

	31 March 2021	31 March 2020
	£	£
Authorised		
4,990,000 Ordinary Shares of £0.01 each	49,900	49,900
100 Founder Shares of £1 each	100	100
	50,000	50,000
Issued and fully paid		
68,301.05 Ordinary Shares of £0.01 each	683	683
2 Founder Shares of £1 each	2	2
	685	685

Founder Shares

Holders of Founders Shares are not entitled to any dividends and do not have the right to receive notice of, attend, speak and vote at general meetings unless and until no Ordinary Shares are in issue. The Founder Shares may not be redeemed by the Company.

Ordinary Shares

Holders of Ordinary Shares are entitled pari-passu to such dividends as the Directors may in their absolute discretion lawfully determine and declare and have the right to receive notice of, attend, speak and vote at general meetings of the Company. Subject to the provisions of the Companies (Jersey) Law, 1991 and the Company's Memorandum and Articles of Association, holders of Ordinary Shares may be redeemed by the Company. The Ordinary Shares may not be redeemed at the option of the holder.

17. SHARE PREMIUM

	31 March 2021	31 March 2020
	£	£
68,301.05 Ordinary Shares issued at a premium of £99.99 each	6,829,422	6,829,422
Less: Introducers commission and share issue costs	(563,685)	(563,685)
As at 31 March 2021/2020	6,265,737	6,265,737

18. LOSS PER SHARE

The calculation of loss per share is based on the loss for the year of £2,595,349 (2020: £341,043) divided by the weighted average number of ordinary shares in issue during the year of 68,301.05 (2020: 68,301.05).

19. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of £6,452,614 (2020: £9,047,963) and on the ordinary shares in issue of 68,301.05 (2020: 68,301.05) at the statement of financial position date.

20. RELATED PARTY TRANSACTIONS

Intertrust Fund Services (Guernsey) Limited are engaged by the Company as administrator pursuant to an Administration Agreement. The Agreement provides that Intertrust Fund Services (Guernsey) Limited will receive an annual fixed fee of £37,500 per annum, with respect to administration services, along with an additional fee of £1,500 per property acquisition/disposal. The administrator will also charge an annual fixed fee of £1,000 per annum to act as Sponsor for The International Stock Exchange. A total of £45,000 (2020: £37,750) has been included in these accounts in respect of the fees charged in accordance with this Agreement and £9,375 (2020: £9,375) was outstanding at the Statement of Financial Position date. Martin Shires acts as a consultant to Intertrust Services Limited who are associated with Intertrust Fund Services (Guernsey) Limited.

The Company has appointed LCP Capital Investments Limited ("LCPCI") and London Central Portfolio Limited ("LCP") as Investment Advisors and Property Managers. Naomi Heaton is the Chair of LCPCI and LCP. A brief summary of the relevant contracts are as follows. All fees are subject to UK VAT.

Performance fees

The Performance Benchmark Objective is 15% IRR (i.e. 15% per annum compound growth on the investors' initial subscription). This takes into account all up-front fees, establishment and purchase costs, but is net of disposal expenditure.

In the event that the Performance Benchmark Objective is achieved at the end of the Investment Period, LCP will be awarded a performance fee up to a ceiling of 25% of the Company's profits, subject to the investors receiving a profit in the first instance equivalent to the Performance Benchmark Objective.

No provision has been made in these accounts, in respect of the performance fee as the Directors do not consider that the Performance Benchmark Objective will be achieved.

Property Search and Acquisition

LCP receives an acquisition fee of 2% of the price paid for each property acquired by the Company.

During the year property acquisition fees amounted to £nil (inclusive of VAT) (2020: £nil).

Investment Advisors

LCPCI receive a fee of £12,500 per annum for the provision of investment advice and related services.

Property Refurbishment and Furnishing

LCP receive a fee of 10% of the refurbishment expenditure in respect of design specification and sourcing of contractor together and a fee of 15% of the furnishing and refurbishment expenditure for the project management of the works and interior design.

During the year property refurbishment and furnishing expenditure amounted to £44,438 (inclusive of VAT) (2020: £9,131) with £631,793 (2020: £587,335) outstanding at the year end.

20. RELATED PARTY TRANSACTIONS (continued)

Property Management

LCP receives a fee of 15% of gross rent received for each property. LCP also receives sundry additional fees for administration services on a 10% of cost basis. £139,981 (inclusive of VAT) (2020: £178,949) has been included in these accounts in relation to these fees. LCP also receives annual fees in relation to ongoing running cost of the fund. During the year £75,000 (inclusive of VAT) (2020: £75,000) was charged in relation to these costs with the total amount outstanding at the year end. A more detailed summary of these terms and charges is included in the Company's prospectus.

21. CONTROLLING PARTY

The issued share capital of the Company is owned by numerous parties and, therefore, to the best knowledge of the Directors, there is no ultimate controlling party of the Company as defined by FRS102.

22. FINANCIAL RISK MANAGEMENT

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Categories of financial instruments and fair values

The following table details the categories of financial assets and financial liabilities held by the Company at the reporting date:

	31 March 2021 Carrying amount	31 March 2020 Carrying amount
Loans and receivables	**£**	**£**
Cash at bank	78,750	78,750
Debtors	61,168	92,443
	139,918	171,193
Financial liabilities at amortised cost		
Creditors and accruals	775,999	800,832
Loans payable	16,336,596	20,332,400
	17,112,595	21,133,232

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Whist the Company's principal market risk is exposure to London residential property prices, market risk comprises of three types of risk: market prices (price risk), foreign exchange (currency risk) and market interest rates (interest rate risk).

The Company operates in the UK and its investments are denominated in pounds sterling therefore the Directors are satisfied that the Company's exposure to foreign exchange risk is relatively low.

The Company is exposed to interest rate risk however it is not exposed to price risk as all of its investments are in non-financial assets. The Company's interest bearing financial assets and liabilities expose it to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks.

22. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

As at 31 March 2021	Not subject to finance receivable/ payable	Variable finance receivable/ payable	Fixed finance receivable/ payable	Total
Assets	**£**	**£**	**£**	**£**
Cash at bank	78,750	-	-	78,750
Debtors	61,168	-	-	61,168
Total financial assets	139,918	-	-	139,918
Liabilities				
Finance payable	-	16,336,596	-	16,336,596
Creditors and accruals	775,999	-	-	775,999
Total financial liabilities	775,999	16,336,596	-	17,112,595

As at 31 March 2020	Not subject to finance receivable/ payable	Variable finance receivable/ payable	Fixed finance receivable/ payable	Total
Assets	**£**	**£**	**£**	**£**
Cash at bank	78,750	-		78,750
Debtors	92,443	-	-	92,443
Total financial assets	171,193	-	-	171,193
Liabilities				
Finance payable	-	20,332,400	-	20,332,400
Other creditors and accruals	800,832	-	-	800,832
Total financial liabilities	800,832	20,332,400	-	21,133,232

Total interest expense on financial liabilities not at fair value through profit and loss.

	Year ended 31 March 2021	Year ended 31 March 2020
	£	**£**
Loan interest expense (1)	498,903	594,274
	498,903	594,274

(1) The above finance cost arises on financial liabilities measured at amortised cost using the effective interest rate method.

For the Company, an increase in 100 basis points in interest rates, with all other variables remaining constant, would result in a loss of £162,578 (2020: £202,537). A decrease in 100 basis points in interest rates, with all other variables remaining constant, would have an equal but opposite effect.

22. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and ensuring the availability of funding through an adequate amount of committed credit facilities.

The Company's current policy concerning the payment of creditors is to:

(a) agree the terms of payment with those suppliers when negotiating the terms of each transaction;

(b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

(c) pay in accordance with the Company's contractual and other legal obligations.

The table below details the contractual, undiscounted cash flows of the Company's financial liabilities.

As at 31 March 2021	Less than 3 month	3 months to 1 year	2 years to 5 years
	£	£	£
Loan payable	117,248	16,610,175	-
Creditors and accruals	775,999	-	-
Total	893,247	16,610,175	-

As at 31 March 2020	Less than 3 month	3 months to 1 year	2 years to 5 years
	£	£	£
Loan payable	170,403	511,209	20,332,400
Creditors and accruals	800,832	-	-
Total	971,235	511,209	20,332,400

As at the statement of financial position date, the Company had undrawn committed borrowings available of £72,654 (2020: £33,600).

The Board of Directors manages the risk of breaches in debt covenants by regularly reviewing the level of debt in conjunction with property values. The review is carried out on a quarterly basis.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date.

Principal counterparties are LCP as Property Manager and Butterfield Bank (Guernsey) Limited as Bankers. The financial position of LCP and the credit rating of Butterfield Bank (Guernsey) Limited are considered by the Board annually or sooner in the event of any cause for concern.

Butterfield Bank (Guernsey) Limited is a reputable financial institution and has a short term credit rating of A-1 according to S&P.

22. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	31 March 2021	31 March 2020
	£	£
Cash and cash equivalents	78,750	78,750
Rent receivable from Property Manager (Note 13)	13,960	47,867
Cash floats held by Property Manager (Note 13)	31,518	28,886
Service charge deposits (Note 13)	15,690	15,690
Total	139,918	171,193

23. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

24. SUBSEQUENT EVENTS

The Company has completed on the sale of 11 Leonard Court on 24 September 2021 for £1,150,000.

On 30 September 2021 Butterfield Bank (Guernsey) Limited, confirmed that their local Credit Committee had approved the extension of the bank loan facility for a further 2 year period to 31 January 2024.

There are no other material events to be disclosed in these financial statements.