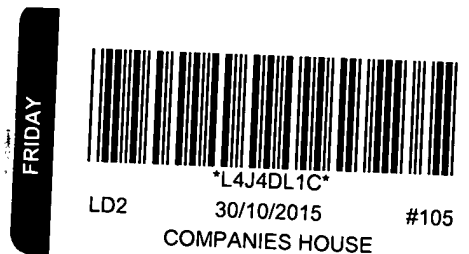


COMPANY REGISTRATION NUMBER 2989644

PAVILION (LONDON) PLC
FINANCIAL STATEMENTS
FOR
30 APRIL 2015



SHAW WALLACE
Chartered Accountants & Statutory Auditor
43 Manchester Street
London
W1U 7LP

PAVILION (LONDON) PLC
FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

CONTENTS	PAGE
Directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	9
The following pages do not form part of the financial statements	
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

PAVILION (LONDON) PLC

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2015

The directors present their report and the financial statements of the company for the year ended 30 April 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of property investment and development.

There were no significant changes in the operation of the company's business during the year under review.

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company as a whole to the members. These KPIs comprise turnover, operating profit and shareholders' funds.

Turnover for the year was £1,234,735 (2014:£523,035) . The profit on disposal of fixed assets investments was £271,451 (2014:£362,025).

The operating profit of £691,989 (2014: £679,582) and profit on ordinary activities of £421,593 (2014:£417,201) was made as a result of the above activities for the year.

The corporation tax charge for the year was £68,350 (2014:£81,593) as a result of the company's profit during the year.

The directors consider the results achieved for the year to be in line with their expectations. Their plan for the future is to search for potential properties development for resale and rental to generate additional income for the business.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £353,243. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise of cash balances, bank loans and overdrafts. The main purpose of these financial instruments is to provide finance for the company's operations.

The main financial risk arising from the company's financial instruments are the loans from the bank which are repayable upon demand at any time. However, it is very unlikely that the bank will ask for early repayments of the loans as the properties have been used as security.

DIRECTORS

The directors who served the company during the year were as follows:

D R Marsh

V Scannapieco

POLICY ON THE PAYMENT OF CREDITORS

The company's policy is normally to pay suppliers contracts according to mutually agreed terms of business. These terms are agreed with individual suppliers upon entering into binding contracts and the company's policy is to adhere to the payment terms providing the relevant goods or services have been provided in accordance with the relevant contract.

PAVILION (LONDON) PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2015

DIRECTORS' RESPONSIBILITIES

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

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

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

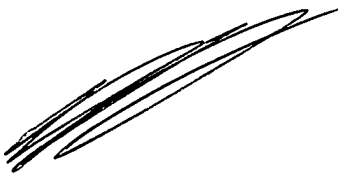
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



D R Marsh
Company Secretary

Approved by the directors on 16 October 2015

PAVILION (LONDON) PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAVILION (LONDON) PLC

YEAR ENDED 30 APRIL 2015

We have audited the financial statements of Pavilion (London) Plc for the year ended 30 April 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PAVILION (LONDON) PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAVILION (LONDON) PLC *(continued)*

YEAR ENDED 30 APRIL 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



DAVID NORRIS (Senior Statutory Auditor)

For and on behalf of
SHAW WALLACE
Chartered Accountants
& Statutory Auditor

43 Manchester Street
London
W1U 7LP

16 October 2015

PAVILION (LONDON) PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
TURNOVER	2	1,234,735	523,035
Cost of sales		<u>701,732</u>	<u>104,230</u>
GROSS PROFIT		533,003	418,805
Administrative expenses		112,465	101,246
Other operating income		<u>(271,451)</u>	<u>(362,025)</u>
OPERATING PROFIT	3	691,989	679,584
Interest receivable		663	290
Interest payable and similar charges	5	<u>(271,059)</u>	<u>(262,673)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		421,593	417,201
Tax on profit on ordinary activities	6	68,350	81,593
PROFIT FOR THE FINANCIAL YEAR		353,243	335,608
Balance brought forward		<u>2,668,877</u>	<u>2,333,269</u>
Balance carried forward		<u>3,022,120</u>	<u>2,668,877</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 14 form part of these financial statements.

PAVILION (LONDON) PLC

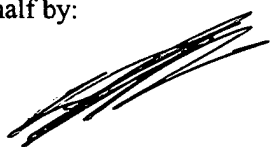
BALANCE SHEET

30 APRIL 2015

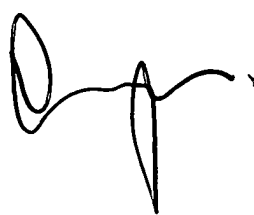
	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	7	8,618,097	6,930,251
Investments	8	<u>7,171</u>	<u>7,171</u>
		8,625,268	6,937,422
CURRENT ASSETS			
Stocks	9	640,000	1,095,507
Debtors	10	845,789	1,040,789
Cash at bank		<u>711,543</u>	<u>658,466</u>
		2,197,332	2,794,762
CREDITORS: Amounts falling due within one year	11	<u>1,528,277</u>	<u>1,791,104</u>
NET CURRENT ASSETS		669,055	1,003,658
TOTAL ASSETS LESS CURRENT LIABILITIES		9,294,323	7,941,080
CREDITORS: Amounts falling due after more than one year	12	<u>6,000,000</u>	<u>5,000,000</u>
		3,294,323	2,941,080
CAPITAL AND RESERVES			
Called-up equity share capital	14	50,000	50,000
Revaluation of investment properties		240,458	240,458
Revaluation of listed investments	15	(18,255)	(18,255)
Profit and loss account		<u>3,022,120</u>	<u>2,668,877</u>
SHAREHOLDERS' FUNDS	16	3,294,323	2,941,080

These accounts were approved by the directors and authorised for issue on 16 October 2015, and are signed on their behalf by:

D R Marsh



V Scannapieco



Company Registration Number: 2989644

The notes on pages 9 to 14 form part of these financial statements.

PAVILION (LONDON) PLC

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,072,089	658,097
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	663		290
Interest paid	(271,059)		(262,673)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(270,396)	(262,383)
TAXATION		(81,594)	(11,838)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(1,873,270)		(2,176,217)
Receipts from sale of fixed assets	454,331		641,100
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,418,939)	(1,535,117)
CASH OUTFLOW BEFORE FINANCING		(698,840)	(1,151,241)
FINANCING			
Increase in bank loans	1,000,000		–
Net (outflow)/inflow from other short-term creditors	(248,083)		1,386,842
NET CASH INFLOW FROM FINANCING		751,917	1,386,842
INCREASE IN CASH		53,077	235,601

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	691,989	679,584
Depreciation	2,544	3,391
Profit on disposal of fixed assets	(271,451)	(362,025)
Decrease in stocks	455,507	–
Decrease in debtors	195,000	337,147
Decrease in creditors	(1,500)	–
Net cash inflow from operating activities	1,072,089	658,097

The notes on pages 9 to 14 form part of these financial statements.

PAVILION (LONDON) PLC

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2015

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£	£
Increase in cash in the period	53,077	235,601
Net cash (inflow) from bank loans	(1,000,000)	—
Net outflow from/(inflow) from other short-term creditors	<u>248,083</u>	<u>(1,386,842)</u>
	(698,840)	(1,151,241)
Change in net debt	(698,840)	(1,151,241)
Net debt at 1 May 2014	<u>(5,868,534)</u>	<u>(4,717,293)</u>
Net debt at 30 April 2015	<u>(6,567,374)</u>	<u>(5,868,534)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2014	Cash flows	At 30 Apr 2015
	£	£	£
Net cash:			
Cash in hand and at bank	<u>658,466</u>	<u>53,077</u>	<u>711,543</u>
Debt:			
Debt due within 1 year	(1,527,000)	248,083	(1,278,917)
Debt due after 1 year	<u>(5,000,000)</u>	<u>(1,000,000)</u>	<u>(6,000,000)</u>
	(6,527,000)	(751,917)	(7,278,917)
Net debt	<u>(5,868,534)</u>	<u>(698,840)</u>	<u>(6,567,374)</u>

The notes on pages 9 to 14 form part of these financial statements.

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Fixtures & Equipment	- 25% reducing balance
Property Fittings	- 25% reducing balance

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

2. TURNOVER

An analysis of turnover is given below:

	2015 £	2014 £
Property rental & Sales	<u>1,234,735</u>	<u>523,035</u>
	<u>1,234,735</u>	<u>523,035</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of owned fixed assets	2,544	3,391
Profit on disposal of fixed assets	(271,451)	(362,025)
Auditor's remuneration		
- as auditor	<u>6,480</u>	<u>6,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Number of administrative staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	29,548	27,000
Social security costs	<u>2,887</u>	<u>2,663</u>
	<u>32,435</u>	<u>29,663</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on bank borrowing	<u>271,059</u>	<u>262,673</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £	2014 £
Current tax:		
UK Corporation tax based on the results for the year	68,350	81,593
Total current tax	<u>68,350</u>	<u>81,593</u>

7. TANGIBLE FIXED ASSETS

	Investment Properties £	Office Fixtures & Equipment £	Property Fittings £	Total £
COST OR VALUATION				
At 1 May 2014	6,920,076	11,718	96,364	7,028,158
Additions	1,873,270	–	–	1,873,270
Disposals	(182,880)	–	–	(182,880)
At 30 April 2015	<u>8,610,466</u>	<u>11,718</u>	<u>96,364</u>	<u>8,718,548</u>
DEPRECIATION				
At 1 May 2014	–	10,497	87,410	97,907
Charge for the year	–	305	2,239	2,544
At 30 April 2015	<u>–</u>	<u>10,802</u>	<u>89,649</u>	<u>100,451</u>
NET BOOK VALUE				
At 30 April 2015	<u>8,610,466</u>	<u>916</u>	<u>6,715</u>	<u>8,618,097</u>
At 30 April 2014	<u>6,920,076</u>	<u>1,221</u>	<u>8,954</u>	<u>6,930,251</u>

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2015 £	2014 £
Net book value at end of year	<u>8,610,466</u>	<u>6,920,076</u>
Historical cost	<u>4,802,477</u>	<u>4,802,477</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

8. INVESTMENTS

	Listed Investments £
COST	
At 1 May 2014 and 30 April 2015	<u>7,171</u>
NET BOOK VALUE	
At 30 April 2015 and 30 April 2014	<u>7,171</u>

Listed investments

Listed investments having a net book value of £7,171 (2014 - £7,171) are held by the company and had a market value of £7,171 at the end of the year (2014 - £7,171).

Investments are stated at mid-market prices.

9. STOCKS

	2015 £	2014 £
Work in progress	<u>640,000</u>	<u>1,095,507</u>

10. DEBTORS

	2015 £	2014 £
Other debtors	<u>845,789</u>	<u>1,040,789</u>

11. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Other creditors including taxation:		
Corporation tax	68,350	81,594
Other creditors	1,278,917	1,527,000
Directors current accounts	<u>169,010</u>	<u>169,010</u>
	1,516,277	1,777,604
Accruals and deferred income	<u>12,000</u>	<u>13,500</u>
	<u>1,528,277</u>	<u>1,791,104</u>

The bank loans are secured on the investments properties and work in progress of the company, and bear interest at 2% per annum (the margin) over LIBOR together with an additional regulatory cost rate.

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

12. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans and overdrafts	<u>6,000,000</u>	<u>5,000,000</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015 £	2014 £
Bank loans and overdrafts	<u>6,000,000</u>	<u>5,000,000</u>

The bank loans are secured on the investments properties and work in progress of the company, and bear interest at 2% per annum (the margin) over LIBOR together with an additional regulatory cost rate.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2015 £	2014 £
Bank loans and overdrafts	<u>6,000,000</u>	<u>5,000,000</u>

13. RELATED PARTY TRANSACTIONS

The company was under the joint control of D Marsh and V Scannapieco throughout the current and previous year.

During the year the company traded with Aspect Construction Limited, a business in which V Scannapieco has a controlling interest, the balance payable to Aspect Construction Limited at the year end was £2,533 (2014: £141,237).

During the year the company traded with Scanmar in which D Marsh and V Scannapieco has personal interest, the balance payable to Scanmar at the year end was £1,276,383 (2014: £366,383).

During the year the company traded with The Straight and Narrow Company Limited in which V Scannapieco has a personal interest, the balance payable to The Straight and Narrow Company Limited at the year end was £Nil (2014: £999,517).

During the year the company traded with Lightbox London Limited in which D Marsh and V Scannapieco has a personal interest, the balance due from Lightbox (London) Limited at the year end was £358,782 (2014: £558,782).

During the year the company traded with Lightbox Investors Limited in which D Marsh and V Scannapieco have a personal interest, the balance due from the company at the year end was £378,370 (2014: £378,370).

During the year the company traded with Uptonblue Properties Limited in which D Marsh has a personal interest, the balance due from the company at the year end was £87,000 (2014: £49,000).

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

14. SHARE CAPITAL

Authorised share capital:

	2015 £	2014 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2015 No	£	2014 No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

15. REVALUATION OF LISTED INVESTMENTS

	2015 £	2014 £
Unrealised loss on listed investments	<u>(18,255)</u>	<u>(18,255)</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	353,243	335,608
Opening shareholders' funds	<u>2,941,080</u>	<u>2,605,472</u>
Closing shareholders' funds	<u>3,294,323</u>	<u>2,941,080</u>