

COMPANY REGISTRATION NUMBER 2989644

REGISTRAR OF COMPANIES COPY

PAVILION (LONDON) PLC
FINANCIAL STATEMENTS
FOR
30 APRIL 2009



THE LEAMAN PARTNERSHIP LLP
Chartered Accountants & Statutory Auditor
51 Queen Anne Street
London
W1G 9HS

PAVILION (LONDON) PLC

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2009

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PAVILION (LONDON) PLC

THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2009.

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 is £347,816 (2008:£290,871) comprises of rental income. The profit on disposal of fixed assets investments is £Nil (2008:£634,741). The operating profit of £157,955 (2008:£799,621) and profit before tax of £26,190 (2008:£645,890) was made as a result of above activities for the year.

The taxation charge for the year is £2,294 (2008:£137,136) as a result of the company's made profit during the year. Shareholders' funds have increased by £23,898 to £2,440,660 as a result of profit made during the year.

Details of the number of employees can be found in note 4 to the financial statements.

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 £23,896. 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

PAVILION (LONDON) PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 APRIL 2009

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.

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 period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

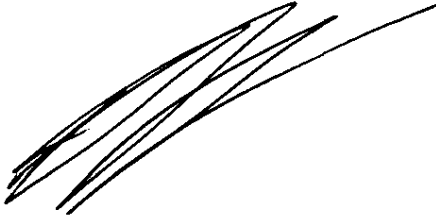
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

PAVILION (LONDON) PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 APRIL 2009

Signed by order of the directors

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a stylized, cursive-like shape.

D R MARSH
Company Secretary

Approved by the directors on 23 September 2009

PAVILION (LONDON) PLC

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

YEAR ENDED 30 APRIL 2009

We have audited the financial statements of Pavilion (London) Plc for the year ended 30 April 2009. 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 Sections 495 and 496 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 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 (APB'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 directors; and the overall presentation of the financial statements.

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 2009 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 MATTERS 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

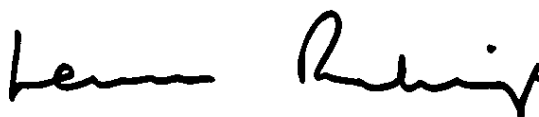
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAVILION (LONDON) PLC *(continued)*

YEAR ENDED 30 APRIL 2009

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.



HITESH GADHIA (Senior Statutory
Auditor)

For and on behalf of
THE LEAMAN PARTNERSHIP LLP
Chartered Accountants
& Statutory Auditor

51 Queen Anne Street
London
W1G 9HS

23 September 2009

PAVILION (LONDON) PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2009

	Note	2009 £	2008 £
TURNOVER	2	347,816	290,871
Cost of sales		<u>95,466</u>	<u>78,288</u>
GROSS PROFIT		252,350	212,583
Administrative expenses		94,395	47,704
Other operating income		<u>—</u>	<u>(634,741)</u>
OPERATING PROFIT	3	157,955	799,620
Interest receivable		4,578	13,692
Interest payable and similar charges	5	<u>(136,343)</u>	<u>(167,423)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,190	645,889
Tax on profit on ordinary activities	6	<u>2,294</u>	<u>137,136</u>
PROFIT FOR THE FINANCIAL YEAR		23,896	508,753
Balance brought forward		<u>2,144,561</u>	<u>1,635,808</u>
Balance carried forward		<u>2,168,457</u>	<u>2,144,561</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 10 to 15 form part of these financial statements.

PAVILION (LONDON) PLC

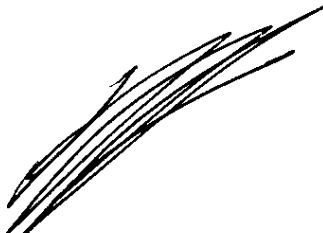
BALANCE SHEET

30 APRIL 2009

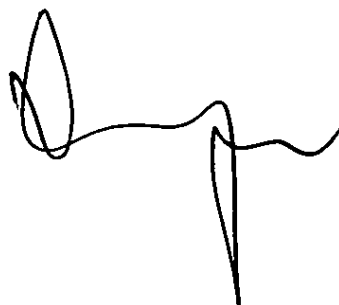
	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	4,989,587	4,579,281
Investments	8	7,171	7,171
		<u>4,996,758</u>	<u>4,586,452</u>
CURRENT ASSETS			
Stocks	9	535,531	555,092
Debtors	10	659,128	127,502
Cash at bank and in hand		139,064	312,012
		<u>1,333,723</u>	<u>994,606</u>
CREDITORS: Amounts falling due within one year	11	<u>489,821</u>	<u>826,794</u>
NET CURRENT ASSETS		<u>843,902</u>	<u>167,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,840,660</u>	<u>4,754,264</u>
CREDITORS: Amounts falling due after more than one year	12	<u>3,400,000</u>	<u>2,337,500</u>
		<u>2,440,660</u>	<u>2,416,764</u>
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		2,168,457	2,144,561
SHAREHOLDERS' FUNDS	16	<u>2,440,660</u>	<u>2,416,764</u>

These financial statements were approved by the directors and authorised for issue on 23 September 2009, and are signed on their behalf by:

D R MARSH



V SCANNAPIECO



The notes on pages 10 to 15 form part of these financial statements.

PAVILION (LONDON) PLC

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2009

	Note	2009 £	2008 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(361,732)	412,503
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		4,578	13,692
Interest paid		<u>(136,343)</u>	<u>(167,423)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(131,765)	(153,731)
TAXATION		(137,136)	(78,049)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(455,533)	(1,605,379)
Receipts from sale of fixed assets		<u>33,081</u>	<u>1,468,009</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(422,452)	(137,370)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,053,085)	43,353
FINANCING			
Increase in/(repayment of) bank loans		1,032,500	(30,000)
Net (outflow)/inflow from other short-term creditors		<u>(152,363)</u>	<u>302,447</u>
NET CASH INFLOW FROM FINANCING		880,137	272,447
(DECREASE)/INCREASE IN CASH		<u>(172,948)</u>	<u>315,800</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	157,955	799,620
Depreciation	12,146	8,245
Profit on disposal of fixed assets	—	(634,741)
Decrease/(increase) in stocks	19,561	(66,944)
(Increase)/decrease in debtors	(531,626)	187,542
(Decrease)/increase in creditors	<u>(19,768)</u>	<u>118,781</u>
Net cash (outflow)/inflow from operating activities	<u>(361,732)</u>	<u>412,503</u>

The notes on pages 10 to 15 form part of these financial statements.

PAVILION (LONDON) PLC
CASH FLOW STATEMENT *(continued)*
YEAR ENDED 30 APRIL 2009

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009	2008
	£	£
(Decrease)/increase in cash in the period	(172,948)	315,800
Net cash (inflow) from/outflow from bank loans	(1,032,500)	30,000
Net outflow from/(inflow) from other short-term creditors	<u>152,363</u>	<u>(302,447)</u>
	(1,053,085)	43,353
Change in net debt	(1,053,085)	43,353
Net debt at 1 May 2008	(2,367,853)	(2,411,206)
Net debt at 30 April 2009	<u>(3,420,938)</u>	<u>(2,367,853)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2008	Cash flows	At 30 Apr 2009
	£	£	£
Net cash:			
Cash in hand and at bank	<u>312,012</u>	<u>(172,948)</u>	<u>139,064</u>
Debt:			
Debt due within 1 year	(342,365)	182,363	(160,002)
Debt due after 1 year	<u>(2,337,500)</u>	<u>(1,062,500)</u>	<u>(3,400,000)</u>
	(2,679,865)	(880,137)	(3,560,002)
Net debt	<u>(2,367,853)</u>	<u>(1,053,085)</u>	<u>(3,420,938)</u>

The notes on pages 10 to 15 form part of these financial statements.

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

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, exclusive of Value Added Tax.

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 Schedule 4 to the Companies Act 1985, 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 2009

2. TURNOVER

An analysis of turnover is given below:

	2009 £	2008 £
Property rental	<u>347,816</u>	<u>290,871</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	12,146	8,245
Profit on disposal of fixed assets	–	(634,741)
Auditor's remuneration - as auditor	<u>10,575</u>	<u>10,545</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on bank borrowing	<u>136,343</u>	<u>167,423</u>

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year at 21% (2008 - 25.48%)	<u>2,294</u>	<u>137,136</u>
Total current tax	<u>2,294</u>	<u>137,136</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

7. TANGIBLE FIXED ASSETS

	Investment Properties £	Office Fixtures & Equipment £	Property Fittings £	Total £
COST OR VALUATION				
At 1 May 2008	4,554,552	7,328	70,464	4,632,344
Additions	431,677	–	23,856	455,533
Disposals	(33,081)	–	–	(33,081)
At 30 April 2009	<u>4,953,148</u>	<u>7,328</u>	<u>94,320</u>	<u>5,054,796</u>
DEPRECIATION				
At 1 May 2008	–	6,320	46,743	53,063
Charge for the year	–	252	11,894	12,146
At 30 April 2009	<u>–</u>	<u>6,572</u>	<u>58,637</u>	<u>65,209</u>
NET BOOK VALUE				
At 30 April 2009	<u>4,953,148</u>	<u>756</u>	<u>35,683</u>	<u>4,989,587</u>
At 30 April 2008	<u>4,554,552</u>	<u>1,008</u>	<u>23,721</u>	<u>4,579,281</u>

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

	2009 £	2008 £
Net book value at end of year	<u>4,931,416</u>	<u>4,554,522</u>
Historical cost:		
At 1 May 2008	4,334,095	3,546,267
Cost of additions to revalued assets brought forward	409,946	1,617,515
Disposals in year	(33,082)	(829,687)
At 30 April 2009	<u>4,710,959</u>	<u>4,334,095</u>

8. INVESTMENTS

	Listed Investments £
COST	
At 1 May 2008 and 30 April 2009	<u>7,171</u>
NET BOOK VALUE	
At 30 April 2009 and 30 April 2008	<u>7,171</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

8. INVESTMENTS *(continued)*

Listed investments

Listed investments having a net book value of £7,171 (2008 - £7,171) are held by the company and had a market value of £7,171 at the end of the year (2008 - £7,171).

Investments are stated at mid-market prices.

9. STOCKS

	2009 £	2008 £
Work in progress	<u>535,531</u>	<u>555,092</u>

10. DEBTORS

	2009 £	2008 £
Other debtors	649,073	114,166
Prepayments and accrued income	<u>10,055</u>	<u>13,336</u>
	<u>659,128</u>	<u>127,502</u>

11. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Rent deposits	26,848	33,505
Bank loans	—	30,000
Trade creditors	54,023	43,301
Other creditors including taxation and social security:		
Corporation tax	2,254	137,096
Other creditors	160,002	312,365
Directors current accounts	<u>230,660</u>	<u>223,936</u>
	<u>392,916</u>	673,397
Accruals and deferred income	<u>16,034</u>	<u>46,591</u>
	<u>489,821</u>	<u>826,794</u>

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

	2009 £	2008 £
Bank loans	<u>—</u>	<u>30,000</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.

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

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

	2009 £	2008 £
Bank loans and overdrafts	<u>3,400,000</u>	<u>2,337,500</u>

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

	2009 £	2008 £
Bank loans and overdrafts	<u>3,400,000</u>	<u>2,337,500</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:

	2009 £	2008 £
Bank loans and overdrafts	<u>3,400,000</u>	<u>1,850,000</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, balance payable to Aspect Construction at year end was £70,333 (due from 2008: £37,189).

During the year the company traded with Scanmar in which D Marsh and V Scannapieco has personal interest, balance payable to Scanmar at the year end was £87,687 (2008: £307,221).

During the year the company traded with Lightbox (London) Limited in which D Marsh and V Scannapieco has personal interest, balance due from the company at the year end was £579,005 (2008: £40,222).

14. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

14. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2009		2008	
	No	£	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

	2009	2008
	£	£
Unrealised loss on listed investments	<u>(18,255)</u>	<u>(18,255)</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	23,896	508,753
Opening shareholders' funds	<u>2,416,764</u>	<u>1,908,011</u>
Closing shareholders' funds	<u>2,440,660</u>	<u>2,416,764</u>