

**Pavilion (London) Plc**  
**Financial Statements**  
**30 April 2021**



**SHAW WALLACE**  
Chartered accountants & statutory auditor  
43 Manchester Street  
London  
W1U 7LP

**Pavilion (London) Plc**  
**Financial Statements**  
**Year ended 30 April 2021**

<b>Contents</b>	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>2</b>
Independent auditor's report to the members	<b>4</b>
Income statement	<b>7</b>
Statement of comprehensive income	<b>8</b>
Statement of financial position	<b>9</b>
Statement of changes in equity	<b>10</b>
Statement of cash flows	<b>11</b>
Notes to the financial statements	<b>12</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	<b>23</b>
Notes to the detailed income statement	<b>24</b>

# **Pavilion (London) Plc**

## **Strategic Report**

**Year ended 30 April 2021**

### **Introduction**

The directors present the strategic report for the year ended 30 April 2021.

### **Business review**

The company is an investment company and continues to receive the rental income through letting out of freehold and leasehold properties. The company's investment property portfolio continued to generate expected returns. During the year company received income of £879,581 (2019: £1,220,926).

The aggregate market value of the company's investment properties were £25,201,129 (2019: £9,210,214).

As at the balance sheet date, the company's net assets were £16,295,461 (2019: £4,603,563).

### **Financial key performance indicators**

The company's key financial and other performance indicators during the year were as follows:

	30 April 2021 (12 months)	30 April 2020 (12 months)
Property rental and development income	£879,581	£1,220,926
Gross Margin	57.38%	38.52%
Profit before tax	£14,492,527	£79,174

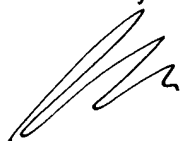
### **Result and performance**

The net asset position improved from £4.6m to £16.3m in the year.

### **Principal risks and uncertainties**

The company only has exposure to UK economy. Principal risks and uncertainties for the company include Brexit and Covid-19. The company monitors the situation on an ongoing basis and is ready to respond to any such changes. Covid-19 will impact the business and the actions that have been taken and will need to be taken will be supported by the profitable growth that has built reserves enabling the company to absorb any effects that may occur.

This report was approved by the board of directors on 20 December 2021 and signed on behalf of the board by:



D R Marsh  
Director

# **Pavilion (London) Plc**

## **Directors' Report**

**Year ended 30 April 2021**

The directors present their report and the financial statements of the company for the year ended 30 April 2021.

### **Directors**

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

D R Marsh  
V Scannapieco

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future. The Company's strategic report provides further information.

### **Going concern**

The directors have carried out a going concern assessment which takes into account the forecast impact of Covid-19 on the company. The directors have considered the potential impact from the spread of the Covid-19 pandemic on the Company's ability to service customers, its employee's health, its liquidity position and volatility in the financial conditions of its asset valuations. The directors considers that company has adequate capital and liquid resources, an appropriate business model, financial structure and suitable arrangement in place for it to be able to continue in operational existence for the foreseeable future and therefore believe it appropriate for the financial statements to be prepared on going concern basis.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

# **Pavilion (London) Plc**

## **Directors' Report** *(continued)*

**Year ended 30 April 2021**

### **Auditor**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

This report was approved by the board of directors on 20 December 2021 and signed on behalf of the board by:



D R Marsh  
Director

# **Pavilion (London) Plc**

## **Independent Auditor's Report to the Members of Pavilion (London) Plc**

**Year ended 30 April 2021**

### **Opinion**

We have audited the financial statements of Pavilion (London) Plc (the 'company') for the year ended 30 April 2021 which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Pavilion (London) Plc**

## **Independent Auditor's Report to the Members of Pavilion (London) Plc *(continued)***

**Year ended 30 April 2021**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, 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.

### **Responsibilities of directors**

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

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

## **Pavilion (London) Plc**

### **Independent Auditor's Report to the Members of Pavilion (London) Plc (continued)**

**Year ended 30 April 2021**

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Reviewing financial statement disclosures to underlying supporting documentation to assess compliance with applicable laws and regulations
- Enquiries with management on potential litigation and claims as well as actual suspected or alleged fraud.
- Reviewing minutes of meetings of those charged with governance.

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

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hitesh Gadhia (Senior Statutory Auditor)

For and on behalf of  
Shaw Wallace  
Chartered accountants & statutory auditor  
43 Manchester Street  
London  
W1U 7LP

20 December 2021

# Pavilion (London) Plc

## Income Statement

Year ended 30 April 2021

	Note	2021 £	2020 £
<b>Turnover</b>	<b>4</b>	<b>879,581</b>	1,220,926
Cost of sales		<u>372,180</u>	<u>750,626</u>
<b>Gross profit</b>		<b>507,401</b>	470,300
Administrative expenses		1,987,986	165,021
Other operating income	<b>5</b>	<u>10,000</u>	<u>—</u>
<b>Operating (loss)/profit</b>	<b>6</b>	<b>(1,470,585)</b>	305,279
Gain on financial assets at fair value through profit or loss		14,325,702	—
Other interest receivable and similar income	<b>9</b>	94	731
Amounts written off investments	<b>10</b>	7,171	—
Interest payable and similar expenses	<b>11</b>	<u>210,521</u>	<u>226,836</u>
<b>Profit before taxation</b>		<b>12,637,519</b>	79,174
Tax on profit	<b>12</b>	<u>2,800,629</u>	<u>15,043</u>
<b>Profit for the financial year</b>		<b><u>9,836,890</u></b>	<b><u>64,131</u></b>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

**Pavilion (London) Plc**  
**Statement of Comprehensive Income**  
**Year ended 30 April 2021**

	2021 £	2020 £
Profit for the financial year	9,836,890	64,131
Other comprehensive income for the year	<u>          -          </u>	<u>          -          </u>
Total comprehensive income for the year	<u><u>9,836,890</u></u>	<u><u>64,131</u></u>

The notes on pages 12 to 21 form part of these financial statements.

**Pavilion (London) Plc**  
**Statement of Financial Position**  
**30 April 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	25,201,129	9,210,214
Investments	14	—	7,171
		<u>25,201,129</u>	<u>9,217,385</u>
<b>Current assets</b>			
Stocks	15	—	1,304,871
Debtors	16	67,001	1,922,008
Cash at bank and in hand		104,885	217,359
		<u>171,886</u>	<u>3,444,238</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>8,164,992</u>	<u>8,058,060</u>
<b>Net current liabilities</b>		<u>7,993,106</u>	<u>4,613,822</u>
<b>Total assets less current liabilities</b>		<u>17,208,023</u>	<u>4,603,563</u>
<b>Provisions</b>			
Taxation including deferred tax	18	2,767,570	—
<b>Net assets</b>		<u>14,440,453</u>	<u>4,603,563</u>
<b>Capital and reserves</b>			
Called up share capital	22	50,000	50,000
Revaluation reserve	23	11,798,590	240,458
Profit and loss account	23	2,591,863	4,313,105
<b>Shareholders funds</b>		<u>14,440,453</u>	<u>4,603,563</u>

These financial statements were approved by the board of directors and authorised for issue on 20 December 2021, and are signed on behalf of the board by:



D R Marsh  
Director

Company registration number: 2989644

The notes on pages 12 to 21 form part of these financial statements.

**Pavilion (London) Plc**  
**Statement of Changes in Equity**  
**Year ended 30 April 2021**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	<b>Total £</b>
<b>At 1 May 2019</b>	50,000	240,458	4,248,974	<b>4,539,432</b>
Profit for the year	—	—	64,131	64,131
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>64,131</b>	<b>64,131</b>
<b>At 30 April 2020</b>	50,000	240,458	4,313,105	<b>4,603,563</b>
Profit for the year			9,836,890	<b>9,836,890</b>
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account		— 14,325,702	(14,325,702)	—
Tax relating to components of other comprehensive income	<b>12</b>	— (2,767,570)	2,767,570	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>11,558,132</b>	<b>(1,721,242)</b>	<b>9,836,890</b>
<b>At 30 April 2021</b>	<b>50,000</b>	<b>11,798,590</b>	<b>2,591,863</b>	<b>14,440,453</b>

The notes on pages 12 to 21 form part of these financial statements.

# Pavilion (London) Plc

## Statement of Cash Flows

Year ended 30 April 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	9,836,890	64,131
<i>Adjustments for:</i>		
Amounts written off investments	7,171	–
Government grant income	(10,000)	–
Gain on financial assets at fair value through profit or loss	(14,325,702)	–
Other interest receivable and similar income	(94)	(731)
Interest payable and similar expenses	210,521	226,836
Tax on profit	2,800,629	15,043
<i>Changes in:</i>		
Stocks	1,304,871	275,000
Trade and other debtors	1,855,007	721,185
Trade and other creditors	87,471	(910,676)
Cash generated from operations	1,766,764	390,788
Interest paid	(210,521)	(226,836)
Interest received	94	731
Tax paid	(15,040)	(69,486)
Net cash from operating activities	<u>1,541,297</u>	<u>95,197</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,665,213)	(222,641)
Net cash used in investing activities	<u>(1,665,213)</u>	<u>(222,641)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,442	–
Government grant income	10,000	–
Net cash from financing activities	<u>11,442</u>	<u>–</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(112,474)</b>	<b>(127,444)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>217,359</b>	<b>344,803</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>104,885</u></b>	<b><u>217,359</u></b>

The notes on pages 12 to 21 form part of these financial statements.

**Pavilion (London) Plc**  
**Notes to the Financial Statements**  
**Year ended 30 April 2021**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 17 Grove Vale, London, SE22 8ET.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Debtors**

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

**Going concern**

The directors have carried out a going concern assessment which takes into account the forecast impact of Covid-19 on the company. The directors have considered the potential impact from the spread of the Covid-19 pandemic on the Company's ability to service customers, its employee's health, its liquidity position and volatility in the financial conditions of its asset valuations. The directors considers that company has adequate capital and liquid resources, an appropriate business model, financial structure and suitable arrangement in place for it to be able to continue in operational existence for the foreseeable future and therefore believe it appropriate for the financial statements to be prepared on going concern basis.

**Creditors**

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

**Cash and cash equivalents**

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# **Pavilion (London) Plc**

## **Notes to the Financial Statements** *(continued)*

**Year ended 30 April 2021**

### **Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Revenue recognition**

The turnover shown in the profit and loss account represents rents and other income receivable during the year.

### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# **Pavilion (London) Plc**

## **Notes to the Financial Statements *(continued)***

**Year ended 30 April 2021**

### **3. Accounting policies *(continued)***

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 3. Accounting policies *(continued)*

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### 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.

### 4. Turnover

Turnover arises from:

	2021	2020
	£	£
Property rental	879,581	879,110
Property development	–	341,816
	<u>879,581</u>	<u>1,220,926</u>

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 5. Other operating income

	2021 £	2020 £
Government grant income	<u>10,000</u>	<u>—</u>

### 6. Operating profit

Operating profit or loss is stated after charging:

	2021 £	2020 £
Impairment of debtors	<u>1,855,008</u>	<u>—</u>

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>12,000</u>	<u>9,900</u>

### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021 No.	2020 No.
Administrative staff	<u>4</u>	<u>2</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021 £	2020 £
Wages and salaries	81,021	52,115
Social security costs	3,542	1,474
Other pension costs	<u>2,304</u>	<u>2,233</u>
	<u>86,867</u>	<u>55,822</u>

### 9. Other interest receivable and similar income

	2021 £	2020 £
Interest on cash and cash equivalents	<u>94</u>	<u>731</u>

### 10. Amounts written off investments

	2021 £	2020 £
Impairment of other fixed asset investments	<u>7,171</u>	<u>—</u>

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 11. Interest payable and similar expenses

	2021 £	2020 £
Interest on banks loans and overdrafts	<u>210,521</u>	<u>226,836</u>

### 12. Tax on profit

#### Major components of tax expense

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax expense	33,059	15,043
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>2,767,570</u>	<u>—</u>
<b>Tax on profit</b>	<u>2,800,629</u>	<u>15,043</u>

#### Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £2,800,629 (2020: £15,043).

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	<u>12,637,519</u>	<u>79,174</u>
Profit on ordinary activities by rate of tax	33,059	15,043
Deferred tax	<u>2,767,570</u>	<u>—</u>
<b>Tax on profit</b>	<u>2,800,629</u>	<u>15,043</u>

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 13. Tangible assets

	Investment property £
<b>Cost or valuation</b>	
At 1 May 2020	9,210,214
Additions	1,665,213
Revaluations	14,325,702
<b>At 30 April 2021</b>	<b>25,201,129</b>
<b>Depreciation</b>	
At 1 May 2020 and 30 April 2021	—
<b>Carrying amount</b>	
At 30 April 2021	25,201,129
At 30 April 2020	9,210,214

If Investment properties had not been revalued they would have been included at the following historical cost:

	2021 £	2020 £
Cost	10,634,968	8,969,756

Investment properties consists of freehold and leasehold properties and are measured at cost, and were valued on an open market basis during the year by the directors.

The net book value of Investment properties has been analysed as follows:

	2021 £	2020 £
Freehold	22,061,484	8,322,130
Long leasehold	3,139,645	888,084
<b>Total</b>	<b>25,201,129</b>	<b>9,210,214</b>

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 14. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 May 2020 and 30 April 2021	<u>7,171</u>
<b>Impairment</b>	
At 1 May 2020	–
Impairment losses	<u>7,171</u>
<b>At 30 April 2021</b>	<u>7,171</u>
<b>Carrying amount</b>	
At 30 April 2021	–
At 30 April 2020	<u>7,171</u>

Investments are stated at fair value.

### 15. Stocks

	2021 £	2020 £
Work in progress	<u>–</u>	<u>1,304,871</u>

### 16. Debtors

	2021 £	2020 £
Other debtors	<u>67,001</u>	<u>1,922,008</u>

### 17. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	6,000,000	6,000,000
Accruals and deferred income	12,000	12,000
Corporation tax	33,061	15,042
Director loan accounts	70,452	69,010
Other creditors	<u>2,049,479</u>	<u>1,962,008</u>
	<u>8,164,992</u>	<u>8,058,060</u>

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 17. Creditors: amounts falling due within one year *(continued)*

The bank loans are secured on the investment properties and work in progress of the company, and bear interest at 2.46% per annum (the margin) over LIBOR together with an additional regulatory cost rate.

The bank loans are secured by company's principal bankers, HSBC Bank PLC, who have following securities:

i) A fixed and floating charge over all assets held by Pavilion (London) Plc

### 18. Provisions

	Deferred tax (note 19) £
At 1 May 2020	—
Additions	<u>2,767,570</u>
At 30 April 2021	<u>2,767,570</u>

### 19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 18)	<u>2,767,570</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Fair value adjustment of investment property	<u>2,767,570</u>	<u>—</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £2,304 (2020: £2,233).

### 21. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>10,000</u>	<u>—</u>

# Pavilion (London) Plc

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

### 22. Called up share capital

#### Authorised share capital

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

#### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

### 23. Reserves

The revaluation reserve at the balance sheet date contains £11,798,590 (2020: £240,458) which is non-distributable profits arising on the revaluation of investment properties after the related deferred taxation provisions and loss on revaluation on listed investments.

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

### 24. Analysis of changes in net debt

	At 1 May 2020	Cash flows	At 30 Apr 2021
	£	£	£
Cash at bank and in hand	217,359	(112,474)	104,885
Debt due within one year	(6,069,010)	(1,442)	(6,070,452)
	<u>(5,851,651)</u>	<u>(113,916)</u>	<u>(5,965,567)</u>

### 25. Related party transactions

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