

2989644

COMPANY REGISTRATION NUMBER

**PAVILION (LONDON) PLC
FINANCIAL STATEMENTS
FOR
30 APRIL 2014**

THURSDAY



LD4 *L3JLB7Y2* 30/10/2014 #80
COMPANIES HOUSE

LEAMAN MATTEI
Chartered Accountants & Statutory Auditor
47-57 Marylebone Lane
London
W1U 0NT

PAVILION (LONDON) PLC

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

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PAVILION (LONDON) PLC

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2014

The directors present their report and the financial statements of the company for the year ended 30 April 2014.

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 £523,035 (2013:£580,410) comprises of rental income. The profit on disposal of fixed assets investments was £362,025 (2013:£nil). The operating profit of £679,582 (2013: £426,532) and profit on ordinary activities of £417,201 (2013:£155,806) was made as a result of the above activities for the year.

The corporation tax charge for the year was £81,593 (2013:£11,838) 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 £335,608. 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 2014

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 22 October 2014

PAVILION (LONDON) PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PAVILION (LONDON) PLC
YEAR ENDED 30 APRIL 2014

We have audited the financial statements of Pavilion (London) Plc for the year ended 30 April 2014. 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 2014 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 2014

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.



PAUL MATTEI (Senior Statutory Auditor)

For and on behalf of
LEAMAN MATTEI
Chartered Accountants
& Statutory Auditor

47-57 Marylebone Lane
London
W1U 2NT

30 - October - 2014

PAVILION (LONDON) PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2014

		2014	2013
	Note	£	£
TURNOVER	2	523,035	580,410
Cost of sales		<u>104,230</u>	<u>94,618</u>
GROSS PROFIT		418,805	485,792
Administrative expenses		<u>101,246</u>	59,260
Other operating income		<u>(362,025)</u>	<u>—</u>
OPERATING PROFIT	3	679,584	426,532
Interest receivable		<u>290</u>	329
Interest payable and similar charges	5	<u>(262,673)</u>	<u>(271,056)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		417,201	155,805
Tax on profit on ordinary activities	6	<u>81,593</u>	<u>11,838</u>
PROFIT FOR THE FINANCIAL YEAR		335,608	143,967
Balance brought forward		<u>2,333,269</u>	<u>2,189,302</u>
Balance carried forward		<u><u>2,668,877</u></u>	<u><u>2,333,269</u></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 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	6,930,251	5,036,500
Investments	8	7,171	7,171
		<u>6,937,422</u>	<u>5,043,671</u>
CURRENT ASSETS			
Stocks	9	1,095,507	1,095,507
Debtors	10	1,040,789	1,377,936
Cash at bank		658,466	422,865
		<u>2,794,762</u>	<u>2,896,308</u>
CREDITORS: Amounts falling due within one year	11	<u>1,791,104</u>	<u>334,507</u>
NET CURRENT ASSETS		<u>1,003,658</u>	<u>2,561,801</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,941,080</u>	<u>7,605,472</u>
CREDITORS: Amounts falling due after more than one year	12	<u>5,000,000</u>	<u>5,000,000</u>
		<u>2,941,080</u>	<u>2,605,472</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		2,668,877	2,333,269
SHAREHOLDERS' FUNDS	16	<u>2,941,080</u>	<u>2,605,472</u>

These accounts were approved by the directors and authorised for issue on 22 October 2014, 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 2014

	Note	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		658,097	224,864
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		290	329
Interest paid		<u>(262,673)</u>	<u>(271,056)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(262,383)	(270,727)
TAXATION		(11,838)	1
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		<u>(2,176,217)</u>	—
Receipts from sale of fixed assets		<u>641,100</u>	—
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,535,117)	—
CASH OUTFLOW BEFORE FINANCING		(1,151,241)	(45,862)
FINANCING			
Net inflow/(outflow) from other short-term creditors		<u>1,386,842</u>	<u>(230,443)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		1,386,842	(230,443)
INCREASE/(DECREASE) IN CASH		<u>235,601</u>	<u>(276,305)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
		2014 £	2013 £
Operating profit		679,584	426,532
Depreciation		3,391	4,522
Profit on disposal of fixed assets		(362,025)	—
Decrease in stocks		—	162,500
Decrease/(increase) in debtors		337,147	(343,955)
Decrease in creditors		—	(24,735)
Net cash inflow from operating activities		<u>658,097</u>	<u>224,864</u>

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

PAVILION (LONDON) PLC

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2014

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013
	£	£
Increase/(decrease) in cash in the period	235,601	(276,305)
Net (inflow) from/outflow from other short-term creditors	<u>(1,386,842)</u>	<u>230,443</u>
	<u>(1,151,241)</u>	<u>(45,862)</u>
Change in net debt	(1,151,241)	(45,862)
Net debt at 1 May 2013	<u>(4,717,293)</u>	<u>(4,671,431)</u>
Net debt at 30 April 2014	<u>(5,868,534)</u>	<u>(4,717,293)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2013	Cash flows	At 30 Apr 2014
	£	£	£
Net cash:			
Cash in hand and at bank	<u>422,865</u>	<u>235,601</u>	<u>658,466</u>
Debt:			
Debt due within 1 year	(140,158)	(1,386,842)	(1,527,000)
Debt due after 1 year	<u>(5,000,000)</u>	<u>—</u>	<u>(5,000,000)</u>
	<u>(5,140,158)</u>	<u>(1,386,842)</u>	<u>(6,527,000)</u>
Net debt	<u>(4,717,293)</u>	<u>(1,151,241)</u>	<u>(5,868,534)</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 2014

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 2014

2. TURNOVER

An analysis of turnover is given below:

	2014	2013
	£	£
Property rental	<u>523,035</u>	<u>580,410</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of owned fixed assets	3,391	4,522
Profit on disposal of fixed assets	(362,025)	–
Auditor's remuneration		
- as auditor	<u>6,000</u>	<u>6,000</u>

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of administrative staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	27,000	27,000
Social security costs	2,663	2,690
	<u>29,663</u>	<u>29,690</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	<u>262,673</u>	<u>271,056</u>

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2014 £	2013 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	<u>81,593</u>	<u>11,838</u>
Total current tax	<u>81,593</u>	<u>11,838</u>

7. TANGIBLE FIXED ASSETS

	Investment Properties £	Office Fixtures & Equipment £	Property Fittings £	Total £
COST OR VALUATION				
At 1 May 2013	5,022,934	11,718	96,364	5,131,016
Additions	2,176,217	–	–	2,176,217
Disposals	(279,075)	–	–	(279,075)
At 30 April 2014	<u>6,920,076</u>	<u>11,718</u>	<u>96,364</u>	<u>7,028,158</u>
DEPRECIATION				
At 1 May 2013	–	10,090	84,426	94,516
Charge for the year	–	407	2,984	3,391
At 30 April 2014	<u>–</u>	<u>10,497</u>	<u>87,410</u>	<u>97,907</u>
NET BOOK VALUE				
At 30 April 2014	<u>6,920,076</u>	<u>1,221</u>	<u>8,954</u>	<u>6,930,251</u>
At 30 April 2013	<u>5,022,934</u>	<u>1,628</u>	<u>11,938</u>	<u>5,036,500</u>

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

	2014 £	2013 £
Net book value at end of year	<u>6,920,076</u>	<u>5,022,934</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 2014

8. INVESTMENTS

	Listed Investments £
COST	
At 1 May 2013 and 30 April 2014	<u>7,171</u>
NET BOOK VALUE	
At 30 April 2014 and 30 April 2013	<u>7,171</u>

Listed investments

Listed investments having a net book value of £7,171 (2013 - £7,171) are held by the company and had a market value of £7,171 at the end of the year (2013 - £7,171).

Investments are stated at mid-market prices.

9. STOCKS

	2014 £	2013 £
Work in progress	<u>1,095,507</u>	<u>1,095,507</u>

10. DEBTORS

	2014 £	2013 £
Other debtors	<u>1,040,789</u>	<u>1,377,936</u>

11. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Other creditors including taxation:		
Corporation tax	81,594	11,839
Other creditors	1,527,000	140,158
Directors current accounts	<u>169,010</u>	<u>169,010</u>
	1,777,604	321,007
Accruals and deferred income	<u>13,500</u>	<u>13,500</u>
	<u>1,791,104</u>	<u>334,507</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 2014

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

	2014	2013
	£	£
Bank loans and overdrafts	<u>5,000,000</u>	<u>5,000,000</u>

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

	2014	2013
	£	£
Bank loans and overdrafts	<u>5,000,000</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:

	2014	2013
	£	£
Bank loans and overdrafts	<u>5,000,000</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, balance payable to Aspect Construction Limited at the year end was £141,237 (2013: £80,629).

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 £366,383 (2013: £50,000).

During the year the company traded with The Straight and Narrow Company Limited in which V Scannapieco has personal interest, balance payable to The Straight and Narrow Company Limited at the year end was £999,517 (2013: £nil).

During the year the company traded with Lightbox London Limited in which D Marsh and V Scannapieco has personal interest, balance due from the Lightbox (London) Limited at the year end was £558,782 (2013: £880,849).

During the year the company traded with Lightbox Investors Limited in which D Marsh and V Scannapieco has personal interest, balance due from the company at the year end was £378,370 (2013: £283,370).

During the year the company traded with Uptonblue Properties Limited in which D Marsh has personal interest, balance due from the company at the year end was £49,000 (2013: £87,000).

PAVILION (LONDON) PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

14. SHARE CAPITAL

Authorised share capital:

	2014	2013
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2014		2013
	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

	2014	2013
	£	£
Unrealised loss on listed investments	<u>(18,255)</u>	<u>(18,255)</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	335,608	143,967
Opening shareholders' funds	<u>2,605,472</u>	<u>2,461,505</u>
Closing shareholders' funds	<u>2,941,080</u>	<u>2,605,472</u>