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Company Registration No. 04597829 (England and Wales)

PADDINGTON WALK LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



PADDINGTON WALK LIMITED

COMPANY INFORMATION

Directors	B D G Jarvis J A Kiernander M R Turner E M Sawyer	(Appointed 28 September 2018)
Secretary	J A Kiernander S A J Nahum	
Company number	04597829	
Registered office	7 Harbet Road London W2 1AJ	
Accountants	Gerald Edelman Chartered Accountants 73 Cornhill London EC3V 3QQ	

PADDINGTON WALK LIMITED

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PADDINGTON WALK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The company's principal activity is the rental of commercial properties and the marketing and sale of storage units and parking spaces at Paddington Walk, London, W2.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B D G Jarvis

J A Kiernander

P O'Driscoll

(Resigned 28 September 2018)

M R Turner

E M Sawyer

(Appointed 28 September 2018)

Going concern

The accounts have been prepared under the going concern basis as the immediate parent company, European Land and Property Limited, has confirmed its willingness to support the company for the foreseeable future.

Small companies regime

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



J A Kiernander

Director

23 September 2019

PADDINGTON WALK LIMITED

INDEPENDENT PRACTITIONER'S REVIEW REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF PADDINGTON WALK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

Report on the Financial Statements

We have reviewed the accompanying financial statements of Paddington Walk Limited, which comprise the statement of financial position as at December 31, 2018, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement. Our review work has been undertaken so that we might state to the company's members those matters we are required to state to them in our 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 review work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), including Financial Reporting Standard 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland' and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised). Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

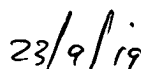
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of Paddington Walk Limited as at 31 December 2018, and its financial performance for the year then ended, in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.



Gerald Edelman

Chartered Accountants


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73 Cornhill
London
EC3V 3QQ

PADDINGTON WALK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover		148,953	178,033
Cost of sales		(227,871)	(22,329)
Gross (loss)/profit		<u>(78,918)</u>	<u>155,704</u>
Administrative expenses		(58,275)	(245,167)
Operating (loss)/profit		<u>(137,193)</u>	<u>(89,463)</u>
Interest receivable and similar income		285	28
Interest payable and similar expenses		(45,225)	(45,490)
(Loss)/profit before taxation		<u>(182,133)</u>	<u>(134,925)</u>
Tax on loss		17,700	1,226
(Loss)/profit for the financial year		<u><u>(164,433)</u></u>	<u><u>(133,699)</u></u>

PADDINGTON WALK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investment properties	2		1,910,000		1,910,000
Current assets					
Stocks		259,090		262,286	
Debtors	3	372,142		344,652	
Cash at bank and in hand		230,393		351,237	
		<u>861,625</u>		<u>958,175</u>	
Creditors: amounts falling due within one year	4	<u>(685,663)</u>		<u>(605,127)</u>	
Net current assets			175,962		353,048
Total assets less current liabilities			2,085,962		2,263,048
Provisions for liabilities	5		(2,203,906)		(2,216,564)
Net (liabilities)/assets			<u>(117,944)</u>		<u>46,484</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			(117,945)		46,483
Total equity			<u>(117,944)</u>		<u>46,484</u>

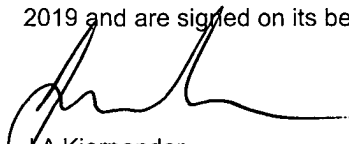
For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23 September 2019 and are signed on its behalf by:


J A Kiernander
Director


E M Sawyer
Director

Company Registration No. 04597829

PADDINGTON WALK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Paddington Walk Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Harbet Road, London, W2 1AJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for development property sales, property rentals and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of property rentals takes into account lease incentives, such as rent free periods and landlord contributions.

1.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PADDINGTON WALK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PADDINGTON WALK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PADDINGTON WALK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2 Investment property

2018
£

Fair value

At 1 January 2018 and 31 December 2018 1,910,000

Investment property comprises commercial retail and office space. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2018 by the directors. The valuation was made on an open market basis.

3 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	58,652	40,709
Other debtors	313,490	303,943
	<u>372,142</u>	<u>344,652</u>

PADDINGTON WALK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,367	28,738
Amounts due to group undertakings	461,305	201,735
Other taxation and social security	-	3,210
Other creditors	214,991	371,444
	<u>685,663</u>	<u>605,127</u>

5 Provisions for liabilities

	2018 £	2017 £
Service charge subsidy	2,149,636	2,144,594
Deferred tax liabilities	54,270	71,970
	<u>2,203,906</u>	<u>2,216,564</u>

6 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

7 Parent company

The immediate parent company is European Land & Property Limited, a company registered in England and Wales.

The ultimate parent company and controlling party is ELG Holdings (Jersey) Limited, a company registered in Jersey.

PADDINGTON WALK LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018



PADDINGTON WALK LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017
	£	£	£	£
Turnover				
Rental income		148,953		178,033
Cost of sales				
Direct costs	17,138		16,806	
Property management fees	208,500		-	
Rental costs	2,233		5,523	
		<u>(227,871)</u>		<u>(22,329)</u>
Gross (loss)/profit	52.98%	(78,918)	87.46%	155,704
Administrative expenses		<u>(58,275)</u>		<u>(245,167)</u>
Operating loss		(137,193)		(89,463)
Investment revenues				
Bank interest received	285		28	
		<u>285</u>		<u>28</u>
Interest payable and similar expenses				
Unwinding of discount on provision		<u>(45,225)</u>		<u>(45,490)</u>
Loss before taxation	122.28%	<u>(182,133)</u>	75.79%	<u>(134,925)</u>

PADDINGTON WALK LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Administrative expenses		
Rates	-	621
Legal and professional fees	59,509	243,331
Accountancy	(1,250)	1,163
Bank charges	16	23
Sundry expenses	-	29
	<hr/>	<hr/>
	58,275	245,167
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