

Company Registration No. 10418728 (England and Wales)

**ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## COMPANY INFORMATION

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**Directors** G Smart  
DV4 Administration Limited

**Company number** 10418728

**Date of incorporation** 10 October 2016

**Registered office** 6th Floor  
Lansdowne House  
Berkeley Square  
London  
W1J 6ER

**Auditors** Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

# **ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**

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# **ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The Directors present their report and financial statements for the year ended 31 March 2018. The comparative figures are for the period from 10 October 2016 to 31 March 2017.

#### **Principal activities**

The principal activity of the Company is the provision of property development services.

#### **Results and dividends**

The loss for the year (2017: period) amounted to £14,252 (2017: £3,250). The Directors did not recommend any dividend during the year (2017: nil).

The results for the year ended 31 March 2018 and the financial position of the Company at the year end were considered satisfactory by the Directors who expect growth in the foreseeable future.

#### **Principal risks and uncertainties and key performance indicators**

In the opinion of the Directors, the major risks faced by the business relate to fluctuations in the property market. The Directors believe that the quality of the property largely protects the Company from general movements in this market.

#### **Directors**

The following directors have held office since 1 April 2017:

G Smart (appointed 30 August 2018)  
DV4 Administration Limited  
A Parsons (resigned 30 August 2018)

#### **Going concern**

The financial statements of the Company have been prepared on a going concern basis, although the Company shows a net current liability position. This is on the basis that the parent undertaking has indicated its willingness to support the Company for a period of at least one year from the date of signing the accounts, so as to enable the Company to meet its liabilities as they fall due.

#### **Disclosure of information to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

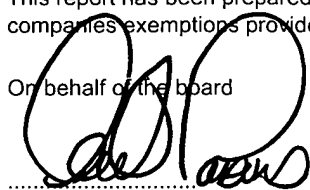
#### **Auditors**

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

#### **Small companies provision**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



DV4 Administration Limited

Director

**NOV 29 2018**

# **ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2018**

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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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**

**FOR THE YEAR ENDED 31 MARCH 2018**

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We have audited the financial statements of Elephant & Castle Development UK Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 8, 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 company's affairs as at 31 March 2018 and of its loss for the year ended 31 March 2018;
- 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.

## **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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **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 this 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' reports has been prepared in accordance with applicable legal requirements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

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## 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

## Responsibilities of directors

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, 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.

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

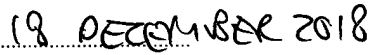
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

  
Daniel Saunders (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London



# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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	Notes	2018 £	10 October 2016 - 31 March 2017 £
Turnover	1.4	189,753	593,725
Cost of sales		(189,753)	(593,725)
Gross profit		-	-
Administrative expenses		(14,252)	(3,250)
Loss on ordinary activities before taxation		(14,252)	(3,250)
Tax on profit on ordinary activities	2	-	-
Loss on ordinary activities after taxation		(14,252)	(3,250)

## STATEMENT OF COMPREHENSIVE INCOME

The Company has no comprehensive income other than the results for the year as set out above.




# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Current assets</b>			
Debtors	3	38,123	178,776
Cash at bank and in hand		3,321	503,718
		<u>41,444</u>	<u>682,494</u>
<b>Creditors: amounts falling due within one year</b>	4	<u>(58,945)</u>	<u>(685,743)</u>
<b>Net current and net liabilities</b>		<u>(17,501)</u>	<u>(3,249)</u>
<b>Capital and reserves</b>			
Called up share capital	5	1	1
Profit and loss account		<u>(17,502)</u>	<u>(3,250)</u>
<b>Shareholder's deficit</b>		<u>(17,501)</u>	<u>(3,249)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board on **NOV. 29. 2018**



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DV4 Administration Limited

**Director**

The notes on pages 8 to 10 form part of these financial statements.

# **ELEPHANT & CASTLE DEVELOPMENT UK LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

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	Called up share capital	Profit and loss account	Total Equity
	£	£	£
At 10 October 2016	1	-	1
Loss for the period	-	(3,250)	(3,250)
At 31 March 2017	<u>1</u>	<u>(3,250)</u>	<u>(3,249)</u>
Loss for the year	-	(14,252)	(14,252)
At 31 March 2018	<u><u>1</u></u>	<u><u>(17,502)</u></u>	<u><u>(17,501)</u></u>

# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### **1 Accounting policies**

#### **1.1 Statement of compliance**

Elephant & Castle Development UK Limited is a private limited company incorporated in England and Wales, the registered office is 6th Floor Lansdowne House, Berkeley Square, London, W1J 6ER.

#### **1.2 Basis of preparation**

The financial statements are prepared in Sterling which is the functional currency of the company. The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A - small entities of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **1.3 Going concern**

The financial statements of the Company have been prepared on a going concern basis, although the Company shows a net current liability position. This is on the basis that the parent undertaking has indicated its willingness to support the Company for a period of at least one year from the date of signing the accounts, so as to enable the Company to meet its liabilities as they fall due.

#### **1.4 Turnover**

Turnover represents income from provision of development services to a property development company net of VAT. Turnover is recognised in the period in which the services are provided.

#### **1.5 Taxation**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the members consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.6 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

#### **1.7 Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

#### **1.8 Cash flow statement**

The company has taken advantage of the exemption in Section 1A of FRS 102 from the requirement to produce a cash flow statement on the grounds that it is a small company.

# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 2 Taxation

	2018 £	10 October 2016 to 31 March 2017 £
<b>(a) Analysis of tax charge for the year/period</b>		
UK Corporation Tax	-	-
<b>Current tax charge</b>	-	-
<b>(b) Factors affecting the current tax charge for the year/period</b>		
Loss on ordinary activities before tax	(14,252)	(3,250)
Loss for the year/period multiplied by the main rate of corporation tax in the United Kingdom 19% (2017: 20%)	(2,708)	(650)
Losses arising in the year/period	2,423	553
Effects of different rates of tax	285	97
<b>Total tax charge for the year/period</b>	-	-

The company has unrecognised deferred tax assets at 31 March 2018 in respect of tax losses carried forward of £2,976 (2017: £553). The deferred tax assets have not been recognised on the basis that it is not sufficiently certain that suitable taxable profits will arise against which to offset them.

#### (c) Factors that may effect future tax charges

The Finance Act 2016 was enacted on 15 September 2016, and introduced a reduction of the headline rate of corporation tax to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

### 3 Debtors

	2018 £	2017 £
Other debtors	1	1
VAT	-	4,815
Accrued income	38,122	173,960
	38,123	178,776

# ELEPHANT & CASTLE DEVELOPMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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4	Creditors: amounts falling due within one year	2018 £	2017 £
	Accruals	2,600	153,135
	Trade creditors	7,969	484,608
	Amounts due to group undertakings	48,376	48,000
		<u>58,945</u>	<u>685,743</u>

5	Share capital	2018 £	2017 £
	<b>Allotted, called up and fully paid</b>		
	1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 6 Employees

The Company had no employees during the current year or prior period.

The Directors did not receive emoluments or fees from the Company for their duties as Directors during the current year or prior period.

### 7 Parent undertaking

The Company's immediate parent undertaking is Castle Properties Co. Limited which is a wholly owned subsidiary of Elephant & Castle LLP. There was no ultimate parent company. Elephant and Castle LLP is the parent Company of the largest group and the smallest group of which the Company is a member and for which group financial statements are prepared, registered office 6th Floor Lansdowne House, Berkeley Square, London, W1J 6ER.

### 8 Related party transactions

The company has taken advantage of the exemption in Section 1A of FRS 102 from the requirement to disclose transactions with group undertakings on the grounds that it is a wholly owned subsidiary.