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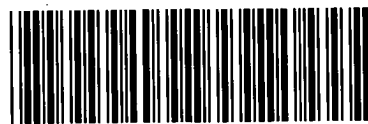
LEOPARD UK KENSINGTON PROPCO LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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LEOPARD UK KENSINGTON PROPCO LIMITED

COMPANY INFORMATION

Directors	Derrick Beare
Company secretary	Belasko Administration Limited
Registered number	10662780
Registered office	18 Culford Gardens London United Kingdom SW3 2ST
Auditors	BDO LLP 55 Baker Street Marylebone London United Kingdom W1U 7EU

LEOPARD UK KENSINGTON PROPCO LIMITED

CONTENTS

	Page
Directors' Report	1 – 2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5 – 6
Notes to the Financial Statements	7 - 11

LEOPARD UK KENSINGTON PROPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their annual report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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 the law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 section 1a '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 for the Company's financial statements 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 to 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.

Principal activity

The Company's principal activity is the development and sale of a luxury extra care facility.

Dividends paid

There were no dividends paid in the year under review (2020 - £nil).

Results

The Statement of Comprehensive Income for the year is set out on pages 3.

Directors

The Directors who served during the year were:

Ari Boyd	(Resigned on 6 October 2022)
David Tugendhaft	(Resigned on 30 June 2022)
Derrick Beare	
Rodney Weinstein	(Resigned on 28 November 2022)

LEOPARD UK KENSINGTON PROPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Derrick Beare
Director

Date: 12/15/2022

LEOPARD UK KENSINGTON PROPCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Other operating income		133,462	184,778
Gross profit		133,462	184,778
Administration and property operating expenses		(519,108)	(618,825)
Operating loss		(385,646)	(434,047)
Interest receivable and similar income		-	23
Interest payable and expenses	5	(11,513,378)	(13,737,893)
Loss before tax		(11,899,023)	(14,171,917)
Loss for the financial year		<u>(11,899,023)</u>	<u>(14,171,917)</u>
Other comprehensive expense for the year			
Total comprehensive expense for the year		<u>(11,899,023)</u>	<u>(14,171,917)</u>

All amounts relate to continuing activities. There were no items of other comprehensive income and the loss for the year also reflects the total expense for the period.

The notes on pages 7 to 11 form part of these financial statements.

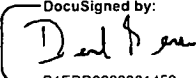
LEOPARD UK KENSINGTON PROPCO LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Trading stock	6	125,890,525	125,143,986
Debtors	7	335,727	3,183,128
Cash at bank		738,426	252,123
		<u>126,964,678</u>	<u>128,579,237</u>
Creditors: amounts falling due within one year	8	<u>(139,547,203)</u>	<u>(147,825,687)</u>
Net current liabilities		(12,582,525)	(19,246,450)
Creditors: amounts falling due after more than one year	9	(28,981,621)	(10,418,673)
Net liabilities		<u>(41,564,146)</u>	<u>(29,655,123)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(41,564,147)	(29,665,124)
		<u>(41,564,146)</u>	<u>(29,665,123)</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 B1EED9263981452...
 Derrick Beare
 Director

Date: 12/15/2022

The notes on pages 7 to 11 form part of these financial statements.

LEOPARD UK KENSINGTON PROPCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	(29,665,124)	(29,665,123)
Comprehensive expense for the year			
Loss for the year	-	(11,899,203)	(11,899,023)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(11,899,203)	(11,899,203)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	<u>1</u>	<u>(41,564,147)</u>	<u>(41,564,146)</u>

The notes on pages 7 to 11 form part of these financial statements.

LEOPARD UK KENSINGTON PROPCO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	(15,493,207)	(15,493,206)
Comprehensive expense for the year			
Loss for the year	-	(14,171,917)	(14,171,917)
Total comprehensive expense for the year	-	(14,171,917)	(14,171,917)
At 31 December 2020	1	(29,665,124)	(29,665,123)

The notes on pages 7 to 11 form part of these financial statements.

LEOPARD UK KENSINGTON PROPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The principal activity of the Company is the development and sale of land and buildings.

The Company is incorporated as a private company, that is limited by shares in England under the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 section 1a requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Going concern

The Company meets its working capital requirements from the support that it receives from its ultimate parent. The Company has also received an undertaking from its immediate parent that, for a period of at least 12 months from the date of the approval of these financial statements, no amount owed by the Company will be called for repayment unless the Company is permitted to do so by the senior debt facility and the Company is able to do so without adversely affecting its position to continue to trade and meet its obligations.

The directors are in a formal process to sell its trading stock. Subsequent to the year end as disclosed in note 12, the senior debt facility was amended to capitalise interest from July 2022 to September 2022. The Company is also in the process of finalising an extension to extend the maturity date of its senior debt facility for further 6 months. To facilitate this extension, the shareholders have committed to a guaranteed capital and interest payment arrangement with the lender. Accordingly, as of 6 December 2022, the Company made a capital repayment of £10m and procured £2m into Senior debt interest reserve account.

After reviewing the Company's cash flow forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

2.3 Other operating income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

LEOPARD UK KENSINGTON PROPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Trading stock

Property purchased with the intention to develop and re-sale is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.8 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.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are 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.

2.10 Creditors

Short term 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are based on management's historical experience as adjusted for current market conditions and other relevant factors. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below.

In accordance with its accounting policy, the Company is required to carry its trading stock at the lower of cost and net realisable value. In assessing net realisable value the Company has considered the internal appraisals of the project and the results of external valuations.

LEOPARD UK KENSINGTON PROPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****4. Employees**

The Company has no employees other than the directors, who did not receive any remuneration during the year (2020 - £NIL).

5. Interest payable and similar expenses

	2021 £	2020 £
Bank finance costs	8,770,775	9,313,776
Other interest payable	2,742,603	4,424,117
	<u>11,513,378</u>	<u>13,737,893</u>

6. Trading stock

	2021 £	2020 £
Trading stock	125,890,525	125,143,986
	<u>125,890,525</u>	<u>125,143,986</u>

Trading stock comprises of property at 23 and 24a Kensington Square, London, W8 5HN.

7. Debtors

	2021 £	2020 £
Trade debtors	1,176	25,535
Other debtors	34,724	2,827,265
Called up share capital not paid	1	1
Prepayments and accrued income	299,826	330,327
	<u>335,727</u>	<u>3,183,128</u>

LEOPARD UK KENSINGTON PROPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loan	97,666,536	91,807,918
Trade creditors	-	94,363
Amounts owed to group undertakings	41,843,937	55,576,436
Accruals and deferred income	36,730	346,970
	<u>139,547,203</u>	<u>147,825,687</u>

Amounts owed to group undertakings comprise interest bearing and interest free loans. The interest free loans are repayable in demand and the interest-bearing loans accrue interest at varying rates and have different maturity dates. The amounts owed to group undertakings are subordinate to the bank loan.

The bank loan is interest bearing and is secured by a first charge over the property. The loan was originally due to terminate in September 2020. On the 30 November 2020 the loan facility was amended and increased by £14m and the term was extended by up to 24months. The bank also has the benefit of a debenture creating security over all of the assets of the Company and the loan has been secured by Personal Guarantees from certain of the ultimate shareholders.

Subsequent to the year end as disclosed in note 12, the senior debt facility was amended to capitalise interest from July 2022 to September 2022. The Company is also in the process of finalising a further extension to extend the maturity date of its senior debt facility for further 6 months. To facilitate this extension, the shareholders have committed to a guaranteed capital and interest payment arrangement with the lender. Accordingly, as of 6 December 2022, the Company made a capital repayment of £10m and procured £2m into Senior debt interest reserve account.

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	28,981,621	10,418,673
	<u>28,981,621</u>	<u>10,418,673</u>

Amounts owed to group undertakings relates to a 6% and 8.5% interest bearing loan and accrued interest owing to the parent undertaking which are repayable in September 2023.

LEOPARD UK KENSINGTON PROPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****10. Share capital**

	2021 £	2020 £
Allotted, called up and partly paid		
1 (2020 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

11. Related party transactions

Leopard UK Kensington JV Limited is deemed a related party due to being the immediate parent of the Company. Details of the loan with the related party are detailed in note 8 and 9.

Auriens Management Services Limited ("AMS") is considered to be a related party as a number of the directors of the Company are also directors of AMS. During the year, fees amounting to £549,845 were capitalised to trading stocks (2020: £398,832) with £nil outstanding at year end (2020: £nil).

12. Post balance sheet events

Subsequent to the year end, the senior debt facility was amended to capitalise interest from July 2022 to September 2022. The Company is also in the process of finalising a further extension to extend the maturity date of its senior debt facility for further 6 months. To facilitate this extension, the shareholders have committed to a guaranteed capital and interest payment arrangement with the lender. Accordingly, as of 6 December 2022, the Company made a capital repayment of £10m and procured £2m into Senior debt interest reserve account.

13. Controlling party

Leopard UK Kensington Propco Limited is 100% owned by Leopard UK Kensington JV Limited, a company incorporated in England.

The ultimate parent undertaking of the Company is Leopard Investment Holding LLP, registered in England.

The ultimate controlling party of the Company are the Members of Leopard Investment Holding LLP.