

London Euro Developments Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021

London Euro Developments Limited

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London Euro Developments Limited

Company Information

Directors	Z Haim C Ogunmakin D Edgar
Company secretary	Z Haim
Registered office	Interland Group 73 Maygrove Road London NW6 2EG
Auditors	Harris & Trotter LLP 64 New Cavendish Street London W1G 8TB

London Euro Developments Limited

(Registration number: 02776359)
Balance Sheet as at 31 March 2021

			(As restated)
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	17,598,419	14,956,361
Current assets			
Debtors	6	11,047,325	10,457,307
Investments	7	1	1
Cash at bank and in hand		724,489	1,477,126
		11,771,815	11,934,434
Creditors: Amounts falling due within one year	8	(2,497,139)	(3,548,697)
Net current assets		9,274,676	8,385,737
Total assets less current liabilities		26,873,095	23,342,098
Creditors: Amounts falling due after more than one year	8	(7,810,000)	(7,898,750)
Provisions for liabilities		(3,631,223)	(2,811,054)
Net assets		15,431,872	12,632,294
Capital and reserves			
Called up share capital	9	2	2
Other reserves		11,273,312	9,486,074
Profit and loss account		4,158,558	3,146,218
Shareholders' funds		15,431,872	12,632,294

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 11 February 2022 and signed on its behalf by:

.....

C Ogunmakin
Director

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Interland Group
73 Maygrove Road
London
NW6 2EG
United Kingdom

The principal place of business is:

Interland Group
73 Maygrove Road
London
NW6 2EG
United Kingdom

The Company number is 02776359.

These financial statements were authorised for issue by the Board on 11 February 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling, the functional currency of the company has been determined to be Sterling.

Going concern

The financial statements have been prepared on a going concern basis.

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	over the lease term
Plant and machinery	over 5 years
Fixtures, fittings, tools and equipment	over 5 years

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2020 - 3).

4 Audit Information

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 11 February 2022 was Nicholas Newman, who signed for and on behalf of Harris & Trotter LLP.

5 Tangible assets

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 April 2020	14,945,136	21,100	62,986	15,029,222
Revaluations	2,607,407	-	-	2,607,407
Additions	37,457	-	-	37,457
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	17,590,000	21,100	62,986	17,674,086
Depreciation				
At 1 April 2020	-	18,283	54,578	72,861
Charge for the year	-	704	2,102	2,806
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	18,987	56,680	75,667
Carrying amount				
At 31 March 2021	<hr/>	<hr/>	<hr/>	<hr/>
	17,590,000	2,113	6,306	17,598,419
At 31 March 2020	<hr/>	<hr/>	<hr/>	<hr/>
	14,945,136	2,817	8,408	14,956,361

Included within the net book value of land and buildings above is £17,590,000 (2020 - £14,945,136) in respect of freehold land and buildings.

	Note	2021 £	2020 £
Historic cost		4,823,250	4,785,793

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Debtors

			(As restated)
	Note	2021 £	2020 £
Trade debtors		44,180	98,820
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	10,493,345	9,894,737
Prepayments		7,344	-
Other debtors		502,456	463,750
		<u>11,047,325</u>	<u>10,457,307</u>

7 Current asset investments

		2021 £	2020 £
Other investments		<u>1</u>	<u>1</u>

8 Creditors

Creditors: amounts falling due within one year

			(As restated)
	Note	2021 £	2020 £
Due within one year			
Trade creditors		15,779	10,080
Amounts owed to group undertakings and undertakings in which the company has a participating interest	11	2,160,301	3,192,709
Taxation and social security		210,650	252,850
Accruals and deferred income		31,430	13,734
Other creditors		78,979	79,324
		<u>2,497,139</u>	<u>3,548,697</u>

Charges on property

London Euro Developments Limited has a loan from National Westminster Bank PLC secured on the investment property held, this charge includes both fixed and floating elements.

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	10	<u>7,810,000</u>	<u>7,898,750</u>

9 Share capital

Allotted, called up and fully paid shares

	2021 No.	£	2020 No.	£
Ordinary of £1 each	2	2	2	2

10 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	<u>7,810,000</u>	<u>7,898,750</u>

11 Related party transactions

Key management personnel

Provision of working capital loans to directors of the company.

Summary of transactions with entities with joint control or significant interest

Provision of working capital loans to/from other entities in the group and connected parties.

Income and receivables from related parties

	Entities with joint control or significant influence £	Key management £
2021		
Amounts receivable from related party	<u>10,493,345</u>	<u>374,000</u>

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	Entities with joint control or significant influence £	Key management £
2020		
Amounts receivable from related party	9,894,737	350,000

Expenditure with and payables to related parties

	Entities with joint control or significant influence £
2021	
Amounts payable to related party	2,160,301

	Entities with joint control or significant influence £
2020	
Amounts payable to related party	3,192,709

12 Parent and ultimate parent undertaking

The company's immediate parent is Southdown Management Limited, incorporated in British Virgin Islands.

13 Non adjusting events after the financial period

The coronavirus pandemic (Covid-19) disrupted all sectors of the economy. The directors do not believe that it has had any effect on the financial results of the company for the year ended 31 March 2021. Directors are taking steps to preserve the company's ability to trade.

14 Prior year adjustment

During the period the previous financial statements were reviewed by the directors and a previous misclassification of items included as fixed asset investments was corrected to include the items as loans as that had been their original historic nature.

As one of these loans was to connected parties there has been an inclusion of an S455 tax charge on the amount outstanding which has remained at the same level.

15 Taxation

Tax charged/(credited) in the income statement

London Euro Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021 £	2020 £
Current taxation		
UK corporation tax	-	66,893
Deferred taxation		
Arising from changes in tax rates and laws	820,169	-
Tax expense in the income statement	820,169	66,893

Deferred tax

Deferred tax assets and liabilities

2021

**Liability
£**

Investment Property 3,631,223

2020

**Liability
£**

Investment Property 2,811,054