

**LEXADON LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

**MAGEE GAMMON**  
Chartered Accountants  
Henwood House  
Henwood  
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Kent  
TN24 8DH

**LEXADON LIMITED**  
**REGISTERED NUMBER:01474635**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

|                                                         |    | 2018<br>£           | 2017<br>£           |
|---------------------------------------------------------|----|---------------------|---------------------|
| <b>Fixed assets</b>                                     |    |                     |                     |
| Tangible assets                                         | 5  | 1                   | 2,439               |
| Investment property                                     | 7  | 227,449,379         | 221,407,450         |
|                                                         |    | <u>227,449,380</u>  | <u>221,409,889</u>  |
| <b>Current assets</b>                                   |    |                     |                     |
| Stocks                                                  | 8  | 6,858,535           | 6,885,677           |
| Debtors: amounts falling due within one year            | 9  | 22,484,800          | 21,741,678          |
| Cash at bank and in hand                                | 10 | 1,422,332           | 1,664,927           |
|                                                         |    | <u>30,765,667</u>   | <u>30,292,282</u>   |
| Creditors: amounts falling due within one year          | 11 | (5,703,515)         | (8,978,080)         |
| <b>Net current assets</b>                               |    | <u>25,062,152</u>   | <u>21,314,202</u>   |
| <b>Total assets less current liabilities</b>            |    | 252,511,532         | 242,724,091         |
| Creditors: amounts falling due after more than one year | 12 | (118,200,539)       | (112,010,683)       |
| <b>Provisions for liabilities</b>                       |    |                     |                     |
| Deferred taxation                                       | 15 | (18,794,787)        | (18,703,470)        |
|                                                         |    | <u>(18,794,787)</u> | <u>(18,703,470)</u> |
| <b>Net assets</b>                                       |    | <u>115,516,206</u>  | <u>112,009,938</u>  |
| <b>Capital and reserves</b>                             |    |                     |                     |
| Called up share capital                                 | 16 | 5                   | 5                   |
| Capital redemption reserve                              | 17 | 64,358              | 64,358              |
| Other reserves                                          | 17 | 92,476,552          | 92,087,252          |
| Profit and loss account                                 | 17 | 22,975,291          | 19,858,323          |
|                                                         |    | <u>115,516,206</u>  | <u>112,009,938</u>  |

**LEXADON LIMITED**  
**REGISTERED NUMBER:01474635**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with 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 on 13 June 2019.

.....  
**J M Knight**  
Director

The notes on pages 6 to 19 form part of these financial statements.

**LEXADON LIMITED**  
**REGISTERED NUMBER:01474635**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

|                                                         | <b>Note</b> |                   | <b>2018</b><br>£          | <b>2017</b><br>£          |
|---------------------------------------------------------|-------------|-------------------|---------------------------|---------------------------|
| <b>Fixed assets</b>                                     |             |                   |                           |                           |
| Tangible assets                                         | 5           |                   | 1                         | 2,439                     |
| Investments                                             | 6           |                   | 2,999,875                 | 2,995,549                 |
| Investment property                                     | 7           |                   | 202,403,468               | 196,712,450               |
|                                                         |             |                   | <u>205,403,344</u>        | <u>199,710,438</u>        |
| <b>Current assets</b>                                   |             |                   |                           |                           |
| Stocks                                                  | 8           | 3,899,891         | 3,890,160                 |                           |
| Debtors: amounts falling due within one year            | 9           | 33,621,880        | 31,904,261                |                           |
| Cash at bank and in hand                                | 10          | 1,422,331         | 1,664,927                 |                           |
|                                                         |             | <u>38,944,102</u> | <u>37,459,348</u>         |                           |
| Creditors: amounts falling due within one year          | 11          | (5,867,546)       | (8,507,327)               |                           |
| <b>Net current assets</b>                               |             |                   | <u>33,076,556</u>         | <u>28,952,021</u>         |
| <b>Total assets less current liabilities</b>            |             |                   | <u>238,479,900</u>        | <u>228,662,459</u>        |
| Creditors: amounts falling due after more than one year | 12          |                   | (118,200,539)             | (112,010,683)             |
| <b>Provisions for liabilities</b>                       |             |                   |                           |                           |
| Deferred taxation                                       | 15          | (16,312,805)      | (16,215,788)              |                           |
|                                                         |             |                   | <u>(16,312,805)</u>       | <u>(16,215,788)</u>       |
| <b>Net assets</b>                                       |             |                   | <u><u>103,966,556</u></u> | <u><u>100,435,988</u></u> |
| <b>Capital and reserves</b>                             |             |                   |                           |                           |
| Called up share capital                                 | 16          |                   | 5                         | 5                         |
| Capital redemption reserve                              | 17          |                   | 64,358                    | 64,358                    |
| Other reserves                                          | 17          |                   | 80,926,905                | 80,513,305                |
| Profit and loss account                                 | 17          |                   | 22,975,288                | 19,858,320                |
|                                                         |             |                   | <u><u>103,966,556</u></u> | <u><u>100,435,988</u></u> |

**LEXADON LIMITED**  
**REGISTERED NUMBER:01474635**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with 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 on 13 June 2019.

.....  
**J M Knight**  
Director

The notes on pages 6 to 19 form part of these financial statements.

**LEXADON LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                                               | <b>2018</b><br>£        | <b>2017</b><br>£        |
|---------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>                   |                         |                         |
| Profit/(loss) for the financial year                          | 4,356,268               | (29,139,161)            |
| <b>Adjustments for:</b>                                       |                         |                         |
| Depreciation of tangible assets                               | 2,438                   | 49,087                  |
| Loss on disposal of tangible assets                           | -                       | (755,054)               |
| Interest paid                                                 | 3,825,836               | 3,158,619               |
| Interest received                                             | -                       | (4,030)                 |
| Taxation charge                                               | 1,038,188               | (7,181,824)             |
| Decrease/(increase) in stocks                                 | 27,140                  | (139,128)               |
| (Increase) in debtors                                         | (749,130)               | (21,660,008)            |
| Increase/(decrease) in creditors                              | 1,736,531               | (2,332,888)             |
| Net fair value losses/(gains) recognised in p&l               | (480,617)               | 42,799,916              |
| Corporation tax (paid)                                        | (882,677)               | (877,497)               |
| <b>Net cash generated from operating activities</b>           | <u>8,873,977</u>        | <u>(16,081,968)</u>     |
| <b>Cash flows from investing activities</b>                   |                         |                         |
| Purchase of investment properties                             | (5,561,312)             | (9,626,858)             |
| Sale of investment properties                                 | -                       | 1,452,581               |
| Interest received                                             | -                       | 4,030                   |
| <b>Net cash from investing activities</b>                     | <u>(5,561,312)</u>      | <u>(8,170,247)</u>      |
| <b>Cash flows from financing activities</b>                   |                         |                         |
| New secured loans                                             | 1,120,575               | 72,529,010              |
| Repayment of loans                                            | -                       | (44,549,000)            |
| Repayment of other loans                                      | -                       | (4,166)                 |
| Dividends paid                                                | (850,000)               | (180,000)               |
| Interest paid                                                 | (3,825,836)             | (3,158,619)             |
| <b>Net cash used in financing activities</b>                  | <u>(3,555,261)</u>      | <u>24,637,225</u>       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <u>(242,596)</u>        | <u>385,010</u>          |
| Cash and cash equivalents at beginning of year                | <u>1,664,927</u>        | <u>1,279,917</u>        |
| <b>Cash and cash equivalents at the end of year</b>           | <u><u>1,422,331</u></u> | <u><u>1,664,927</u></u> |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                         |                         |
| Cash at bank and in hand                                      | <u>1,422,331</u>        | <u>1,664,927</u>        |
|                                                               | <u><u>1,422,331</u></u> | <u><u>1,664,927</u></u> |

The notes on pages 6 to 19 form part of these financial statements.

# LEXADON LIMITED

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

### 1. General information

Lexadon Limited is a private limited company incorporated in England & Wales. The registered office of the company is Unit 3, The Viaduct Business Centre, 364a Coldharbour Lane, Brixton, London, SW9 8PL.

### 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 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 December 2014.

# LEXADON LIMITED

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

### 2. Accounting policies (continued)

#### 2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

|                              |   |                            |
|------------------------------|---|----------------------------|
| Long-term leasehold property | - | over the term of the lease |
| Office equipment             | - | 25% reducing balance basis |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

#### 2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# LEXADON LIMITED

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

### 2. Accounting policies (continued)

#### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are 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 profit or loss.

#### 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

## LEXADON LIMITED

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

#### 2. Accounting policies (continued)

##### 2.10 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### 2.11 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.

##### 2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

##### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.14 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.15 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.16 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# LEXADON LIMITED

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

### 3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

|                | 2018<br>No. | 2017<br>No. |
|----------------|-------------|-------------|
| Management     | 2           | 2           |
| Administration | 8           | 7           |
|                | <hr/>       | <hr/>       |
|                | <u>10</u>   | <u>9</u>    |

### 4. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £4,380,568 (2017 - loss £23,415,442).

### 5. Tangible fixed assets

#### Group

|                                     | Office<br>equipment<br>£ |
|-------------------------------------|--------------------------|
| <b>Cost or valuation</b>            |                          |
| At 1 January 2018                   | 29,786                   |
| At 31 December 2018                 | <hr/> 29,786             |
| <b>Depreciation</b>                 |                          |
| At 1 January 2018                   | 27,347                   |
| Charge for the year on owned assets | 2,438                    |
| At 31 December 2018                 | <hr/> 29,785             |
| <b>Net book value</b>               |                          |
| At 31 December 2018                 | <hr/> <u>1</u>           |
| <b>At 31 December 2017</b>          | <hr/> <u>2,439</u>       |

**LEXADON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. Tangible fixed assets (continued)**

**Company**

|                                     | <b>Office<br/>equipment</b> |
|-------------------------------------|-----------------------------|
|                                     | <b>£</b>                    |
| <b>Cost or valuation</b>            |                             |
| At 1 January 2018                   | 29,786                      |
| At 31 December 2018                 | <u>29,786</u>               |
| <b>Depreciation</b>                 |                             |
| At 1 January 2018                   | 27,347                      |
| Charge for the year on owned assets | 2,438                       |
| At 31 December 2018                 | <u>29,785</u>               |
| <b>Net book value</b>               |                             |
| At 31 December 2018                 | <u><u>1</u></u>             |
| <b>At 31 December 2017</b>          | <u><u>2,439</u></u>         |

# LEXADON LIMITED

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

### 6. Fixed asset investments

#### Company

|                          | Investments in<br>subsidiary<br>companies | Other fixed<br>asset<br>investments | Total            |
|--------------------------|-------------------------------------------|-------------------------------------|------------------|
|                          | £                                         | £                                   | £                |
| <b>Cost or valuation</b> |                                           |                                     |                  |
| At 1 January 2018        | 34                                        | 2,995,515                           | 2,995,549        |
| Additions                | 2                                         | 4,324                               | 4,326            |
| At 31 December 2018      | <u>36</u>                                 | <u>2,999,839</u>                    | <u>2,999,875</u> |

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name                               | Registered office | Holding |
|------------------------------------|-------------------|---------|
| Lexadon (Acre Lane) Limited        | *                 | 100     |
| Lexadon (Blenheim Gardens) Limited | *                 | 100     |
| Lexadon (Blenheim Studios) Limited | *                 | 100     |
| Lexadon (Brixton Hill) Limited     | *                 | 100     |
| Lexadon (Brixton Road) Limited     | *                 | 100     |
| Lexadon (CHL) Limited              | *                 | 100     |
| Lexadon (Coldharbour Lane) Limited | *                 | 100     |
| Lexadon (No1) Limited              | *                 | 100     |
| Lexadon (No2) Limited              | *                 | 100     |
| Lexadon (No3) Limited              | *                 | 100     |
| Lexadon (Tulse Hill) Limited       | *                 | 100     |
| Lexadon (Union Grove) Limited      | *                 | 100     |
| Lexadon (West Norwood) Limited     | *                 | 100     |
| Lexadon Properties Limited         | *                 | 100     |
| Lexadon Housing Limited            | *                 | 100     |
| Union Grove Limited                | *                 | 100     |

\* All companies have same  
registered office as the  
parent company

# LEXADON LIMITED

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

### Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

| Name                               | Aggregate of<br>share capital<br>and reserves<br>£ |
|------------------------------------|----------------------------------------------------|
| Lexadon (Acre Lane) Limited        | 2                                                  |
| Lexadon (Blenheim Gardens) Limited | 2                                                  |
| Lexadon (Blenheim Studios) Limited | 2,459,926                                          |
| Lexadon (Brixton Hill) Limited     | 2,412,839                                          |
| Lexadon (Brixton Road) Limited     | 2                                                  |
| Lexadon (CHL) Limited              | 2,805,289                                          |
| Lexadon (Coldharbour Lane) Limited | 2,204,839                                          |
| Lexadon (No1) Limited              | 2                                                  |
| Lexadon (No2) Limited              | 2                                                  |
| Lexadon (No3) Limited              | 2                                                  |
| Lexadon (Tulse Hill) Limited       | 1,678,913                                          |
| Lexadon (Union Grove) Limited      | 2                                                  |
| Lexadon (West Norwood) Limited     | 2                                                  |
| Lexadon Properties Limited         | 2                                                  |
| Lexadon Housing Limited            | 2                                                  |
| Union Grove Limited                | 2                                                  |

# LEXADON LIMITED

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

### 7. Investment property

#### Group

**Freehold  
investment  
property**  
£

#### Valuation

|                            |                           |
|----------------------------|---------------------------|
| At 1 January 2018          | 221,407,450               |
| Additions at cost          | 5,561,312                 |
| Surplus on revaluation     | 480,617                   |
| <b>At 31 December 2018</b> | <b><u>227,449,379</u></b> |

The 2018 valuations were made by the directors, on an open market value for existing use basis.

#### Company

**Freehold  
investment  
property**  
£

#### Valuation

|                            |                           |
|----------------------------|---------------------------|
| At 1 January 2018          | 196,712,450               |
| Additions at cost          | 5,180,401                 |
| Surplus on revaluation     | 510,617                   |
| <b>At 31 December 2018</b> | <b><u>202,403,468</u></b> |

The 2018 valuations were made by the directors, on an open market value for existing use basis.

### 8. Stocks

|                | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|----------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Property stock | 6,858,535                   | 6,885,677                   | 3,899,891                     | 3,890,160                     |
|                | <b><u>6,858,535</u></b>     | <b><u>6,885,677</u></b>     | <b><u>3,899,891</u></b>       | <b><u>3,890,160</u></b>       |

**LEXADON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. Debtors**

|                                    | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors                      | 27,769                      | 54,729                      | 27,769                        | 54,729                        |
| Amounts owed by group undertakings | -                           | -                           | 11,137,080                    | 10,168,593                    |
| Other debtors                      | 22,457,031                  | 21,686,949                  | 22,457,031                    | 21,680,939                    |
|                                    | <u>22,484,800</u>           | <u>21,741,678</u>           | <u>33,621,880</u>             | <u>31,904,261</u>             |

**10. Cash and cash equivalents**

|                          | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 1,422,331                   | 1,664,927                   | 1,422,331                     | 1,664,927                     |
|                          | <u>1,422,331</u>            | <u>1,664,927</u>            | <u>1,422,331</u>              | <u>1,664,927</u>              |

**11. Creditors: Amounts falling due within one year**

|                                    | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans                         | -                           | 5,069,281                   | -                             | 5,069,281                     |
| Trade creditors                    | 125,281                     | 138,329                     | 125,281                       | 138,329                       |
| Amounts owed to group undertakings | -                           | -                           | 26                            | 24                            |
| Corporation tax                    | 530,844                     | 472,660                     | 279,334                       | 330,253                       |
| Other taxation and social security | 4,648                       | 3,218                       | 4,648                         | 3,218                         |
| Other creditors                    | 1,059,112                   | 411,013                     | 1,059,112                     | 411,015                       |
| Accruals and deferred income       | 3,983,630                   | 2,883,579                   | 4,399,145                     | 2,555,207                     |
|                                    | <u>5,703,515</u>            | <u>8,978,080</u>            | <u>5,867,546</u>              | <u>8,507,327</u>              |

**12. Creditors: Amounts falling due after more than one year**

|            | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 118,200,539                 | 112,010,683                 | 118,200,539                   | 112,010,683                   |
|            | <u>118,200,539</u>          | <u>112,010,683</u>          | <u>118,200,539</u>            | <u>112,010,683</u>            |

**LEXADON LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. Loans**

|                                                    | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|----------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Amounts falling due within one year</b>         |                             |                             |                               |                               |
| Bank loans                                         | -                           | 5,069,281                   | -                             | 5,069,281                     |
| <b>Amounts falling due after more than 5 years</b> |                             |                             |                               |                               |
| Bank loans                                         | 118,200,539                 | 112,010,683                 | 118,200,539                   | 112,010,683                   |
|                                                    | <u>118,200,539</u>          | <u>117,079,964</u>          | <u>118,200,539</u>            | <u>117,079,964</u>            |

**14. Financial instruments**

|                                                                | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Company<br/>2018<br/>£</b> | <b>Company<br/>2017<br/>£</b> |
|----------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Financial assets</b>                                        |                             |                             |                               |                               |
| Financial assets measured at fair value through profit or loss | <u>1,422,331</u>            | <u>1,664,927</u>            | <u>1,422,331</u>              | <u>1,664,927</u>              |

**15. Deferred taxation**

**Group**

|                           | <b>2018<br/>£</b>   | <b>2017<br/>£</b>   |
|---------------------------|---------------------|---------------------|
| At beginning of year      | (18,703,470)        | (26,875,964)        |
| Charged to profit or loss | (91,317)            | 8,172,494           |
| <b>At end of year</b>     | <u>(18,794,787)</u> | <u>(18,703,470)</u> |

# LEXADON LIMITED

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

### 15. Deferred taxation (continued)

#### Company

|                           | 2018<br>£           | 2017<br>£           |
|---------------------------|---------------------|---------------------|
| At beginning of year      | (16,215,788)        | (22,983,332)        |
| Charged to profit or loss | (97,017)            | 6,767,544           |
| <b>At end of year</b>     | <b>(16,312,805)</b> | <b>(16,215,788)</b> |

|                     | Group<br>2018<br>£  | Group<br>2017<br>£  | Company<br>2018<br>£ | Company<br>2017<br>£ |
|---------------------|---------------------|---------------------|----------------------|----------------------|
| Revaluation surplus | <u>(18,794,787)</u> | <u>(18,703,470)</u> | <u>(16,312,805)</u>  | <u>(16,215,788)</u>  |

### 16. Share capital

|                                                    | 2018<br>£  | 2017<br>£  |
|----------------------------------------------------|------------|------------|
| 1,000 (2017 - 1,000) Ordinary shares of £0.10 each | <u>100</u> | <u>100</u> |
| <b>Allotted, called up and fully paid</b>          |            |            |
| 50 (2017 - 50) Ordinary shares of £0.10 each       | <u>5</u>   | <u>5</u>   |

### 17. Reserves

#### Other reserves

Other reserves represent non-distributable reserves arising on the revaluation of the investment property net of the associated deferred tax liability.

#### Profit and loss account

The profit and loss account represents the general surpluses and deficits arising from the company's activities. The profit and loss account is fully distributable.

### 18. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,622 (2017 - £1,472).

## **LEXADON LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **19. Related party transactions**

The company paid rent totalling £42,000 (2017: £84,000) for the premises from which it operates, to Lexadon Limited Executive Pension Scheme. JM Knight is a member of the pension fund.

#### **20. Controlling party**

JM and Mrs JA Knight, directors of the company, have control of the company as a result of controlling 100% of the issued share capital of the company.

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