
LANDSEER DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

LANDSEER DEVELOPMENT COMPANY LIMITED
REGISTERED NUMBER: 10762162

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £	2020 £
Current assets				
Trading stock	5	63,337,603	60,902,606	
Debtors: amounts falling due within one year	6	420,102	99,146	
Cash at bank and in hand	7	47,088	43,460	
		<u>63,804,793</u>	<u>61,045,212</u>	
Creditors: amounts falling due within one year	8	(39,002,144)	(61,957,080)	
Net current assets/(liabilities)			<u>24,802,649</u>	<u>(911,868)</u>
Total assets less current liabilities			<u>24,802,649</u>	<u>(911,868)</u>
Creditors: amounts falling due after more than one year	9		(44,582,686)	(13,908,928)
Net liabilities			<u>(19,780,037)</u>	<u>(14,820,796)</u>
Capital and reserves				
Called up share capital	10		100	100
Profit and loss account			(19,780,137)	(14,820,896)
			<u>(19,780,037)</u>	<u>(14,820,796)</u>

LANDSEER DEVELOPMENT COMPANY LIMITED
REGISTERED NUMBER: 10762162

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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

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 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 23 December 2022.

Derrick Beare

Director

The notes on pages 3 to 7 form part of these financial statements.

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

1. General information

Landseer Development Company Limited is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 18 Culford Gardens, London, SW3 2ST.

The principal activity of the Company is the development of a mixed-use property in St Johns Wood, London to provide care, a nursing home, and residential accommodation.

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 Section 1A of 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern. The Company expects to meet its working capital requirements through a combination of its senior debt loan facility and a new unsecured loan as further described below.

Subsequent to the reporting date as disclosed in note 12, the Company fully drew down a new £5.6m mezzanine debt facility which benefits a second charge secured against the Company's assets. This debt was due to mature in Q1 2023. Further the Company sold one of the two properties under trading stock. The net sales proceeds of £26.6m were used to repay the mezzanine debt in full and to partially repay the senior debt. Following completion of the sale, the senior debt facility was amended to a reduced facility of £29.5m with an extended termination date of January 2024. Further £3m of the senior debt facility will be available to utilise towards the next 12 months interest capitalisation. The Company's immediate parent, Leopard UK Lodge Road JV Limited, entered into an option agreement for the sale of the Company's shares. As part of this agreement, the immediate parent and the option holder entered into an unsecured loan agreement for up to £2.7m which they will lend to the Company to progress its development activities of which £1.05m has been received to date.

The Company has also received an undertaking from its immediate parent indicating that, for a period of at least 12 months from the date of the approval of these financial statements, no amount owing to it by the Company will be called for repayment unless such repayment is permitted under the terms of the Company's senior debt facility and provided the Company is able to make such repayment without adversely affecting its position to continue to trade and meet its obligations.

After reviewing the Company's cash flow forecasts and taking account of the factors noted above, the directors have a reasonable expectation that the Company has adequate resources to continue to trade and meet its obligations for the foreseeable future and the financial statements have therefore been prepared on a going concern basis. The financial statements do not include adjustments that will result if the Company were unable to continue as a going concern.

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

2. Accounting policies (continued)

2.3 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.

2.4 Borrowing costs

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

2.5 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, 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 the statement of comprehensive income.

2.6 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.

2.7 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.

2.8 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 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.

LANDSEER DEVELOPMENT COMPANY LIMITED

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

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

5. Trading stock

	2021 £	2020 £
Trading stock	63,337,603	60,902,606
	<u>63,337,603</u>	<u>60,902,606</u>

Trading stock comprises land and buildings at 36 St Johns Wood and 36-44 Lodge Road, London. Subsequent to the year end as stated in note 12, the Company sold its property in 36-44 Lodge Road.

6. Debtors

	2021 £	2020 £
Other debtors	319,059	85,299
Prepayments and accrued income	101,043	13,847
	<u>420,102</u>	<u>99,146</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	47,088	43,460
	<u>47,088</u>	<u>43,460</u>

LANDSEER DEVELOPMENT COMPANY LIMITED

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

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	-	40,288,611
Trade creditors	92,901	54,541
Amounts owed to group undertakings	38,734,648	21,076,372
Accruals and deferred income	174,595	537,556
	<u>39,002,144</u>	<u>61,957,080</u>

On 1 December 2017 the Company entered into an interest-free loan agreement with its immediate parent undertaking. The interest-free loan is unsecured and repayable on demand with a final maturity date of 1 December 2027. The amounts owed to group undertakings also include a £5m loan which bears interest of 15% p.a. with a repayment date in September 2022 and a £13.9m loan which bears interest of LIBOR plus 7.25% p.a. with a repayment date in September 2022.

Subsequent to the reporting date as described in Note 12, the £5m loan was repaid. The Company also entered into an unsecured loan agreement with immediate parent for up to £2.7m of which, the Company will use this facility to progress its development activities. The loan bears interest of 15% p.a. with a repayment date in September 2023. All loans from group undertakings are subordinate to the senior debt loan facility described in note 9.

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

	2021 £	2020 £
Bank loans	44,582,686	-
Amounts owed to group undertakings	-	13,908,928
	<u>44,582,686</u>	<u>13,908,928</u>

The Company had entered a senior debt facility for £40m with a repayment date in August 2020. During the year, the facility was varied to increase the facility to £47.1m and extend the repayment date to January 2023. The security includes a standard security package including a first charge over the property and debenture over the Company. The loan is shown net of arrangement fees of £85,323 (2020: £23,610) and has been secured by Personal Guarantees from certain of the ultimate shareholders.

As described in Note 12, subsequent to the reporting date, the Company fully drew down a new £5.6m mezzanine debt facility which benefits from a second charge secured against the Company's assets. This debt was due to mature in Q1 2023. In December 2022, the Company sold one of its properties under trading stock. The proceeds of the sale were utilised to repay the mezzanine debt in full and to partially repay its senior debt. Following completion of the sale, the senior debt facility was amended to a reduced facility of £29.5m with an extended termination date of January 2024. Further £3m of the senior debt facility will be available to utilise towards future interest capitalisation.

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

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
400 (2020 - 400) Ordinary shares of £0.25 each	<u>100</u>	<u>100</u>

11. Related party transactions

The Company has taken advantage of the exemptions provided by "Financial Reporting Standard 102" not to disclose transactions with the entities wholly owned within the group.

Auriens Management Services Limited ("Auriens") is considered to be a related party as the Directors of the Company are also Directors of Auriens. Fees of £265,680 were charged by Auriens during the year (2020: £188,348) with nil fees outstanding at year end (2020: £nil).

12. Post balance sheet events

Subsequent to the reporting date, the Company sold one of the two of its properties under trading stock. The Company also fully drew down a new £5.6m mezzanine debt facility which benefits from a second charge secured against the Company's assets. This debt was due to mature in Q1 2023. The proceeds of the sale referred to above were used to repay the mezzanine debt in full and to partially repay the senior debt. Following completion of the sale, the senior debt facility was amended to a reduced facility of £29.5m with an extended termination date of January 2024. Further £3m facility will be available to utilise towards interest capitalisation.

The Company's immediate parent entered into an option agreement for the sale of the Company's shares. As part of this agreement, the immediate parent and the option holder entered into an unsecured loan agreement for up to £2.7m, which they will further lend down to the Company to progress its development activities of which £1.05m has been received to date. The loan has a repayment date in Q1 2024.

13. Controlling party

The immediate parent company of the Company, which owns 100% of its issued share capital, is Leopard UK Lodge Rd JV Limited, a company incorporated in the UK.

The director considers the ultimate controlling party to be Leopard Investment Holding LLP, a limited liability partnership registered in the UK.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 28 December 2022 by Richard Levy (Senior Statutory Auditor) on behalf of BDO LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.