
LANDSEER DEVELOPMENT COMPANY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

LANDSEER DEVELOPMENT COMPANY LIMITED
REGISTERED NUMBER: 10762162

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Current assets			
Trading stock	5	43,713,127	63,337,603
Debtors: amounts falling due within one year	6	69,831	420,102
Cash at bank and in hand	7	6,013,948	47,088
		<u>49,796,906</u>	<u>63,804,793</u>
Creditors: amounts falling due within one year	8	(28,317,501)	(39,002,144)
Net current assets		<u>21,479,405</u>	<u>24,802,649</u>
Total assets less current liabilities		<u>21,479,405</u>	<u>24,802,649</u>
Creditors: amounts falling due after more than one year	9	(41,358,834)	(44,582,686)
Net liabilities		<u>(19,879,429)</u>	<u>(19,780,037)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		(19,879,529)	(19,780,137)
		<u>(19,879,429)</u>	<u>(19,780,037)</u>

LANDSEER DEVELOPMENT COMPANY LIMITED
REGISTERED NUMBER: 10762162

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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 the 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 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 4 December 2023.

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 2022**

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).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared a cash flow forecast and the Company expects to meet its working capital requirements through a combination of its senior debt loan facility, funding from the new unsecured loan and ongoing financial support from the ultimate parent undertaking as further described below. However, the support from the ultimate parent undertaking is not guaranteed.

During the year, the Company sold one of its properties under trading stock and the net sales proceeds of £26.6m were used to repay the mezzanine debt in full and 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.

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 up to £2.7m which lent 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 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 financial support from the Company's ultimate parent undertaking, 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 2022

2. Accounting policies (continued)

2.3 Revenue

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. The following criteria must also be met before revenue is recognised:

Proceeds from sale of trading stock is recognised on the date of sale.

2.4 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.

2.5 Borrowing costs

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

2.6 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.

2.7 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.

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2021 - 0).

5. Trading stock

	2022 £	2021 £
Trading stock	43,713,127	63,337,603
	<u>43,713,127</u>	<u>63,337,603</u>

Trading stock comprises land and buildings at 36 St Johns Wood and 36-44 Lodge Road, London. During the year, the Company sold its property in 36-44 Lodge Road.

6. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	380	-
Other debtors	51,599	404,136
Prepayments and accrued income	17,852	15,966
	<u>69,831</u>	<u>420,102</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	6,013,948	47,088
	<u>6,013,948</u>	<u>47,088</u>

LANDSEER DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	381,004	92,901
Amounts owed to group undertakings	22,687,877	38,734,648
Other taxation and social security	5,185,003	-
Other creditors	100	-
Accruals and deferred income	63,517	174,595
	<u>28,317,501</u>	<u>39,002,144</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. During the year 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. which is repayable on demand. 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

	2022 £	2021 £
Bank loans	27,449,906	44,582,686
Amounts owed to group undertakings	13,908,928	-
	<u>41,358,834</u>	<u>44,582,686</u>

The Company fully drew down a new £5.6m mezzanine debt facility which benefits from a second charge secured against the Company's assets. 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. The security of the senior debt facility 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 £47,160 (2021: £85,323) and has been secured by Personal Guarantees from certain of the ultimate shareholders. Further £3m of the senior debt facility was available to utilise towards future interest capitalisation.

LANDSEER DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
400 (2021 - 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.

12. Post balance sheet events

During the year the Immediate Parent, Leopard UK Lodge Rd JV Limited entered into an option agreement to sell the Company's shares. This option exercise period was expired on 23 May 2023.

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.

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.