

Company Registration No. 00678356 (England and Wales)

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PAGES FOR FILING WITH REGISTRAR

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 9

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		5,771		2,246
Investment properties	4		39,906,000		39,806,000
			<u>39,911,771</u>		<u>39,808,246</u>
Current assets					
Debtors	6	798,923		71,288	
Cash at bank and in hand		2,386,910		1,076,563	
		<u>3,185,833</u>		<u>1,147,851</u>	
Creditors: amounts falling due within one year	7	<u>(1,210,389)</u>		<u>(4,060,818)</u>	
Net current assets/(liabilities)			<u>1,975,444</u>		<u>(2,912,967)</u>
Total assets less current liabilities			<u>41,887,215</u>		<u>36,895,279</u>
Creditors: amounts falling due after more than one year	8		<u>(8,237,500)</u>		<u>(3,173,544)</u>
Provisions for liabilities			<u>(4,446,687)</u>		<u>(4,451,400)</u>
Net assets			<u><u>29,203,028</u></u>		<u><u>29,270,335</u></u>
Capital and reserves					
Called up share capital	9		100		100
Other reserves			-		850,456
Profit and loss reserves	10		29,202,928		28,419,779
Total equity			<u><u>29,203,028</u></u>		<u><u>29,270,335</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the board of directors and authorised for issue on 2 November 2018 and are signed on its behalf by:

Mr T Hauser
Director

Company Registration No. 00678356

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Share capital	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£
As restated for the period ended 31 March 2017:				
Balance at 1 April 2016	100	-	27,979,378	27,979,478
As restated	100	-	27,979,378	27,979,478
Year ended 31 March 2017:				
Profit and total comprehensive income for the year	-	-	381,526	381,526
Dividends	-	-	(64,503)	(64,503)
Transfers	-	-	123,378	123,378
Other movements	-	850,456	-	850,456
Balance at 31 March 2017	100	850,456	28,419,779	29,270,335
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	900,211	900,211
Dividends	-	-	(117,062)	(117,062)
Other movements	-	(850,456)	-	(850,456)
Balance at 31 March 2018	100	-	29,202,928	29,203,028

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

The Pavot Property Investment Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 66 Prescott Street, London, E1 8NN and business address is Hauser & Hauser, Talacker 35, Zurich, Switzerland CH-8001

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below:

1.2 Turnover

Turnover represents amounts receivable for rents and service charges, excluding value added tax. Rental income is recognised on a straight-line basis over the lease term.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% reducing balance
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1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 4).

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2017	59,012
Additions	4,968
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At 31 March 2018	63,980
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Depreciation and impairment	
At 1 April 2017	56,766
Depreciation charged in the year	1,443
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At 31 March 2018	58,209
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Carrying amount	
At 31 March 2018	5,771
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At 31 March 2017	2,246
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4 Investment property

	2018 £
Fair value	
At 1 April 2017	39,806,000
Additions	127,725
Revaluations	(27,725)
	<hr/>
At 31 March 2018	39,906,000
	<hr/>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 12 December 2016 by Savills (UK) Limited Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors considered that the fair value had not materially changed from the date of the valuation to the year end date.

The £100,000 uplift in fair value in the year was due to an increased percentage of ownership of one of the existing investment properties.

5 Financial instruments

	2018 £	2017 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	104,701	-
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THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	119,232	38,241
Other debtors	656,423	2,779
Prepayments and accrued income	23,268	30,268
	<u>798,923</u>	<u>71,288</u>

7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	-	3,116,755
Trade creditors	381,778	467,046
Corporation tax	246,027	173,602
Other taxation and social security	19,087	-
Other creditors	563,497	303,415
	<u>1,210,389</u>	<u>4,060,818</u>

8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	8,237,500	-
Other creditors	-	3,173,544
	<u>8,237,500</u>	<u>3,173,544</u>

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,800 A Ordinary shares of 5p each	90	90
200 B Ordinary shares of 5p each	10	10
	<u>100</u>	<u>100</u>

THE PAVOT PROPERTY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Called up share capital

(Continued)

Ordinary A shareholders are entitled to dividends based on the remaining profits of the company after settling the entitlement of the ordinary B shareholders. In the event of a winding-up of the company, Ordinary A shareholders would be entitled to the remaining distributable assets after settling the entitlement of B shareholders.

Ordinary B shareholders are entitled to dividends based on the gross rental income from two specific properties. In the event of a winding-up of the company, Ordinary B shareholders are entitled to the proceeds of the sale of these two properties. Ordinary B shareholders are not entitled to receive notice of or attend or vote at any general meeting of the company.

10 Profit and loss reserves

Included within Profit and loss reserves is an amount of £21,710,297 (2017: £21,733,309) relating to unrealised revaluation gains on investment properties. The amount is not available for distribution until the investment properties are disposed of after which it becomes realised.

Included within profit and loss reserves are non-distributable profits, as set out below:

11 Related party transactions

At the reporting date, the company has a new loan from Natwest bank loan with the fair value of £8,387,500.

The unsecured loan from Salerno Properties Limited of £4,024,000 was repaid in the current year. All the loans are interest free.

During the year, Mr T Hauser, who is a director of the Company, was also a partner in a firm of lawyers, Hauser and Hauser. Pavot Property Investment Company Limited made payments to Hauser and Hauser during the year in the amount of £6,954 (2017: £5,083) for legal services.

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