

Sime Darby Property (London) Limited

Directors' report and financial statements
for the year ended 31 December 2020

Registered Number: 01063138

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Sime Darby Property (London) Limited

Directors' report and consolidated financial statements for the year ended 31 December 2020

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Sime Darby Property (London) Limited

Directors and advisers

Directors

Kamarul Ariffin Bin Abdul Samad
Ms Yong Teng Siew (appointed 30 November 2020)
Ms How Hong Hong (appointed 30 November 2020)
Zahari Bin Salleh (resigned 30 November 2020)
Wan Norjihan Binti Wan Ismail (resigned 30 November 2020)

Company secretary

Irwin Mitchell Secretaries Limited
Riverside East
2 Millsands
Sheffield
Yorkshire
S3 8DT

Registered office

Thomas Eggar House
Friary Lane
Chichester
West Sussex
PO19 1UF

Independent auditors

Carpenter Box Limited
Chartered Accountants and Statutory Auditors
5 Peveril Court
6-8 London Road
Crawley
RH10 8JE

Sime Darby Property (London) Limited

Strategic report for the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Business Review

In accordance with s401 of The Companies Act 2006, the Company is exempt from the obligation to prepare and deliver group accounts. The name of the immediate parent company which draws up the group accounts is Sime Darby Property Berhad whose registered office address is Level 10, Block G No.2 Jalan PJU 1A/7A Ara Damansara, PJU 1A 47301 Petaling Jaya Selangor Darul Ehsan, Malaysia and whose accounts for the period ending 31 December 2020 are filed with the UK Registrar of Companies together with the auditor's report thereon.

The Company's financial statements have been prepared under FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

During the year ended 31 December 2020 the Company made a loss of £104,000 (31 December 2019: profit £362,000).

The main activities of the Company are property investment. The main asset of the Company is an investment property in London.

The cash balances of the Company as at 31 December 2020 were £266,000 (31 December 2019: £267,000).

Future Developments

It is the intention that the Sime Darby Property (London) Limited Group will seek to maximise returns from its current investment property in the future.

Principal risks and uncertainties

The Company has a property asset amounting to £3,330,000 as at 31 December 2020 (At 31 December 2019: £3,540,000) whose value is subject to fluctuations caused by changes in the UK property market. The directors regularly review this investment to consider whether there has been any impairment in its carrying value. The general economic climate and strength of the UK property rental market could have an impact on future rental income to be generated from the investment property held. Management however keep the markets under regular review and does not anticipate any significant changes for the foreseeable future. The directors have also considered the impact of BREXIT on the Company and consider that the principal uncertainties relate to fluctuations in the UK property market and exchange differences that could arise with any inter group transactions.

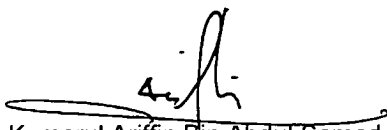
Sime Darby Property (London) Limited

Strategic report for the year ended 31 December 2020 continued

Key Performance Indicators ("KPI's")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board



Kamarul Ariffin Bin Abdul Samad
Director
6 September 2021

Sime Darby Property (London) Limited

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Company during the year ended 31 December 2020 and the turnover and profit before taxation attributable to each class of business were as follows:

	<u>Turnover</u>		<u>(Loss)/profit before taxation</u>	
	12 months to 31 Dec 2020 £'000	12 months to 31 Dec 2019 £'000	12 months to 31 Dec 2020 £'000	12 months to 31 Dec 2019 £'000
Property investment and rental income	88	98	(161)	441

Property investment and rental income relate mainly to third party rental income from London properties.

Subsidiaries

The principal activity of Robt. Bradford & Company Limited is that of a holding company, whilst the principal activity of its subsidiary, Robt Bradford Hobbs Savill Limited is the completion of the run-off of its former insurance broking operations. Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited were dormant during the year ended 31 December 2020. As stated in the business review, the Company is exempt from the obligation to prepare group accounts and therefore the Robt. Bradford group results have not been consolidated in this report and accounts.

Future developments

The directors' comments on the future developments of the Company are mentioned in the Strategic Report on page 3.

Going concern

The Company has net assets of £3,957,000 at 31 December 2020 (At 31 December 2019 net assets: £4,061,000). As explained further at Note 2, arrangements are in place with other group companies to ensure the Group is able to continue to meet its liabilities as they fall due, for 12 months from the date of signing.

Dividends

The directors do not recommend a dividend for the year ended 31 December 2020 (12 months to 31 December 2019: £18,479,131).

Sime Darby Property (London) Limited

Directors' report for the year ended 31 December 2020 (continued)

Directors' liability insurance

During the year ended 31 December 2020 and up to the date of signing these financial statements, directors' liability insurance was provided by Sime Darby Property Berhad, a company incorporated in Malaysia, through a third-party insurance provider for the directors who are natural persons.

Charitable and political contributions

No charitable contributions (12 months to 31 December 2019: £Nil) were made by the Company during the year. No political donations were made by the Company (12 months to 31 December 2019: £Nil).

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and cash flow risk.

The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of credit risk and other finance costs.

The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Price risk

The Company is exposed to market rental price risk as a result of its operations. The Company undertakes periodic reviews of market rates for rental of properties, which are similar to those properties owned by the wider Group.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and on potential tenants before leases are entered into. The amount of exposure to any individual counterparty is regularly reviewed by management.

Liquidity risk

The Company ensures that it has sufficient available funds for operations and planned expansions by regular review of its cash requirements. Additional funding is obtained from the ultimate parent company or other group companies as required.

Sime Darby Property (London) Limited

Directors' report for the year ended 31 December 2020 (continued)

Financial risk management (continued)

Cash flow risk

All other trade debtors and creditors are interest-free and have settlement dates within one year. Amounts owed by / (to) fellow group undertakings have no fixed repayment dates.

The Company's income and operating cash flows are therefore substantially independent of changes in market interest rates.

Directors

The directors of the Company who were in office during the year and up to the date of signing these financial statements are as shown on page 2.

Directors' interests: contracts

There have been no contracts during the year with the Company or any of its subsidiaries in which any of the directors have had an interest.

Covid-19 pandemic

In March 2020, the United Kingdom was impacted by the Covid-19 pandemic and the country has since been subject to varying degrees of lockdown arrangements by the government. Whilst not an adjusting event, the full impact of this event on the Company is not yet known and the future fair market value of the investment property held may be lower than the carrying value at 31 December 2020. Additionally, construction activities in respect of Phase 2 of the Battersea Power Station Development Scheme have been impacted by the lockdown arrangements however the exchange deposits paid to date in respect of two residential properties in the development continue to be considered recoverable as construction is expected to be completed in 2021.

Sime Darby Property (London) Limited

Directors' report for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

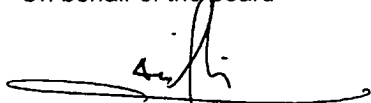
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The Company has dispensed with the need to hold an Annual General Meeting and hence the need to reappoint the Company's auditors annually. Accordingly, Carpenter Box Limited will continue in office as the Company's auditors.

On behalf of the board



Kamarul Ariffin Bin Abdul Samad
Director
6 September 2021

Sime Darby Property (London) Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIME DARBY PROPERTY (LONDON) LIMITED

Opinion

We have audited the financial statements of Sime Darby Property (London) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Sime Darby Property (London) Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIME DARBY PROPERTY (LONDON) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

Sime Darby Property (London) Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIME DARBY PROPERTY (LONDON) LIMITED

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the UK Companies Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to valuation of investment properties; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

The financial statements of Sime Darby Property (London) Limited for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion, on those financial statements on 26 November 2020.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Reading FCCA (Senior Statutory Auditor)
for and on behalf of Carpenter Box
Chartered Accountants
Statutory Auditor
Crawley

15 September 2021

Carpenter Box is a trading name of Carpenter Box Limited

Sime Darby Property (London) Limited

Statement of comprehensive income for the year ended 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
Turnover	3	88	98
Cost of sales	4	(14)	(16)
Gross profit		74	82
Administrative expenses	4	(125)	(219)
Other operating income	5	93	-
(Loss)/gain on revaluation of investment properties	12	(210)	369
Operating (loss) / profit	6	(168)	232
Profit on disposal of fixed assets	7	-	-
Interest receivable and similar income	8	7	209
(Loss)/Profit before taxation		(161)	441
Tax on profit	11	57	(79)
(Loss)/Profit for the financial year		(104)	362

There is no other comprehensive income.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

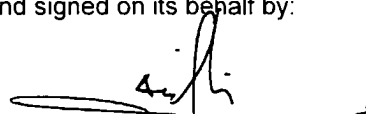
The notes on pages 15 to 30 form part of these financial statements.

Sime Darby Property (London) Limited

Balance sheet as at 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
Fixed assets			
Tangible assets	12	1	2
Investment property	13	3,330	3,540
Investments	14	-	-
		3,331	3,542
Current assets			
Debtors - amounts falling due after more than one year	15	-	-
Debtors - amounts falling due within one year	16	2,224	2,111
Cash at bank and in hand		266	267
		2,490	2,378
Creditors - amounts falling due within one year	17	(304)	(259)
Net current assets		2,186	2,119
Total assets less current liabilities		5,517	5,661
Provisions for liabilities	18	(1,560)	(1,600)
Net assets		3,957	4,061
Capital and reserves			
Called up share capital	19	-	-
Share premium account	19	-	-
Retained earnings/ (Accumulated losses)			
At 1 January		4,061	(41,226)
Capital reduction	19	-	38,494
Share premium cancelled	19	-	24,910
Dividend paid	19	-	(18,479)
(Loss)/profit for the year attributable to the owners		(104)	362
		3,957	4,061
Total shareholders' funds		3,957	4,061

The financial statements on pages 12 to 30 were approved by the Board of Directors on 6 September 2021 and signed on its behalf by:


 Kamarul Ariffin Bin Abdul Samad
 Director, Sime Darby Property (London) Limited
 Registered number: 1063138

Sime Darby Property (London) Limited

Statement of changes in equity For the year ended 31 December 2020

	Share Capital £'000	Share Premium Account £'000	Retained Earnings / (Accumulated Losses) £'000	Total Shareholder's Funds £'000
Balance as at 1 Jan 2019	38,494	24,910	(41,226)	22,178
Profit for the financial period	-	-	362	362
Total comprehensive income for the year	-	-	362	362
Capital reduction	(38,494)	-	38,494	-
Share premium cancelled	-	(24,910)	24,910	-
Dividend paid	-	-	(18,479)	(18,479)
Balance as at 31 December 2019	-	-	4,061	4,061
Loss for the financial year	-	-	(104)	(104)
Total comprehensive income for the year	-	-	(104)	(104)
Balance as at 31 December 2020	-	-	3,957	3,957

Notes to the financial statements for the year ended 31 December 2020**General information**

Sime Darby Property (London) Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is Thomas Eggar House, Friary Lane, Chichester, West Sussex, England, PO19 1UF. The company's registration no. is 01063138.

The principal activity of Sime Darby Property (London) Limited is to act as a holding company and property investment company. The Company generates property investment and rental income related mainly to third party rental income from a London property.

The principal activity of Robt. Bradford & Company Limited is that of a holding company, whilst the principal activity of its subsidiary, Robt Bradford Hobbs Savill Limited is the completion of the run-off of its former insurance broking operations. Both subsidiaries were dormant in the year (31 December 2019: dormant). As previously stated, the Company is exempt from the obligation to prepare group accounts and therefore the Robt. Bradford group results have not been consolidated in this report and accounts.

Statement of compliance

The Company financial statements of Sime Darby Property (London) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1 Summary of significant accounting policies

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

a. Basis of preparation

The Company financial statements are prepared on a going concern basis under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Companies Act 2006, except for the non-depreciation of investment properties. The financial statements have been prepared under FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the later section of accounting policies.

b. Going concern

The Company has net assets of £3,957,000 at 31 December 2020 (31 December 2019 net assets: £4,061,000). As explained further at Note 2, arrangements are in place with other group companies to ensure the Company is able to continue to meet its liabilities as they fall due.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The stand-alone entity Sime Darby Property (London) Limited and its subsidiaries are a qualifying entity as its results are consolidated into the financial statements of Sime Darby Property Berhad which are publicly available.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Summary of significant accounting policies (continued)

c. Exemptions for qualifying entities under FRS 102 (continued)

As a qualifying entity, the Company has taken advantage of the following exemptions in its individual financial statements:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) from the requirement to prepare a statement of cash flows, as set out in paragraph 9.3(c) of FRS 102

d. Foreign currency

i) *Functional and presentation currency*

The Company financial statements are presented in Pound Sterling and rounded to thousands.

The Company's functional and presentation currency is the Pound Sterling.

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

e. Turnover

Turnover represents the amounts receivable in the ordinary course of business, excluding value added tax, in respect of rental income.

Rental income is recognised on an accruals basis over the period of the rental agreement.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Summary of significant accounting policies (continued)

f. Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the year in which the service is received.

g. Taxation

Taxation credit for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Company statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date, unless it is not considered probable that deferred tax assets will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h. Fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Tangible fixed assets are depreciated over their expected useful lives on a straight-line basis. Freehold land and buildings are not depreciated. In general, annual depreciation rates based on cost are:

Fixtures and fittings	10 to 20% straight line
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Repairs, maintenance and minor inspection costs are expensed as incurred. Fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss and included in 'Profit/ (loss) on disposal of fixed assets.'

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Summary of significant accounting policies (continued)

i. Investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in the profit or loss. The surplus or deficit on revaluation is recognised in the profit or loss and accumulated in the retained earnings. All leasehold property owned by the Company is valued annually at an open market valuation undertaken by appropriately independent external valuers holding a recognised qualification in accordance with Section 16 of FRS 102 'Accounting for Investment Properties'.

No depreciation is provided in respect of the Company's investment properties. In accordance with Section 16 of FRS 102 'Accounting for Investment Properties', the directors consider that systematic annual depreciation would be inappropriate and that this accounting policy is necessary to provide a true and fair view. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss and included in 'Profit/ (loss) on disposal of fixed assets.'

Other Debtors

Other debtors include progress payments made on account in respect of future acquisitions of investment properties.

j. Leased assets

At inception the Company assesses agreements that transfer right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating lease assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

k. Insurance broking assets and liabilities

A subsidiary undertaking previously acted as an agent in broking the insurable risks of its clients and, generally, was not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Company's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries.

m. Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment in value. The company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the statement of comprehensive income. The recoverable amount is the higher of the asset's net realisable value and its value in use.

The calculations for determining the carrying value of investments involves the use of estimates including projected future cash flows and other future events as well as review of net assets.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Summary of significant accounting policies (continued)

n. Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

o. Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Contingencies

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

p. Financial instruments

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Summary of significant accounting policies (continued)

p. Financial instruments (continued)

ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The group does not hold or issue derivative financial instruments.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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.

q. Share capital

Ordinary shares are classified as equity.

r. Share premium

Share premium represents the premium paid for the issue of ordinary shares less reductions for any share issue costs or any reductions arising from capital reorganisations.

s. Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

t. Related party transactions

The Company has taken advantage of the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with related parties which are wholly owned within the same group.

u. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, turnover and expenses. Actual results may differ from these estimates.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Summary of significant accounting policies (continued)

v. Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Note 2 makes reference to a Sime Darby Berhad de-merger exercise undertaken and completed in a previous financial year where loans due from Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited amounting to £13,540,324 and £15,116,584 respectively were released and discharged by Sime Darby Far East (1991) Limited. The Company considers that the release of these loans is non-taxable and accordingly no tax provision has been made in the financial statements of the Robt. Bradford Group. As a consequence of the release and discharge of the loans in the Robt. Bradford Group, the Company has released a provision for diminution in its subsidiary amounting to £12,661,654, which the Company also considers to be non-taxable and accordingly no tax provision has been made in the financial statements of Sime Darby Property (London) Limited.

The Covid-19 pandemic arising in the UK in 2020 is considered to have an adverse effect on the UK economy. The Company considers, however, that its impact is a non-adjusting event and that it is not necessary to adjust the balance sheet as presented and the Company will take the necessary steps to ensure that it can face the challenges caused by the pandemic and the economic downturn. There are no other estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than those referred to in Note 21.

2. Financing commitments

Sime Darby Berhad, the Company's former ultimate parent undertaking, and Sime Darby Property (London) Limited previously entered into a funding and indemnity agreement under which they agreed to put the Company's subsidiary undertaking, Robt. Bradford & Company Limited and its subsidiary undertaking (the "Robt. Bradford Group") into funds to meet all liabilities arising within that group.

As a result of a Sime Darby Berhad de-merger exercise undertaken and completed in a previous financial year a new Loan Restructuring Agreement between the Company and Sime Darby Berhad, Kumpulan Sime Darby Berhad, Sime Darby Far East (1991) Limited, Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited was executed on 25 August 2017 where under the terms of the agreement, Sime Darby Far East (1991) Limited agreed to release and discharge the loans due from Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited for £13,540,324 and £15,116,584 respectively in consideration for the Company terminating the unconditional guarantee between Sime Darby Far East (1991) Limited and the Company dated 20 October 1982 which fully releases and discharges each other from all liabilities arising under or in connection with the guarantee. In addition, under the terms of the Loan Restructuring Agreement dated 25 August 2017, the Company has indemnified Kumpulan Sime Darby Berhad and Sime Darby Berhad from all liabilities and losses incurred by either of them which they would be required to pay under the terms of the Funding & Indemnity Agreement after that date.

The Robt. Bradford Group had net liabilities of £1,442,000 at 31 December 2020 (At 31 December 2019: £1,442,000 net liabilities). The Company has made a provision of £1,442,000 (At 31 December 2019: £1,442,000) against the Robt. Bradford Group's net liabilities of £1,442,000 at 31 December 2020 (At 31 December 2019: £1,442,000 net liabilities).

The Company has net assets of £3,957,000 as at 31 December 2020 (At 31 December 2019 net assets: £4,061,000). Sime Darby Property Berhad has confirmed that it will provide Sime Darby Property (London) Limited with sufficient funds to enable the Company and Group to meet its liabilities as they fall due and to continue in business throughout the period of one year from the date of signing the Company's financial statements.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Segmental information

Turnover is derived from the Company's principal activity which is property investment and third-party rental income. All turnover is derived from rental income from a single tenant. The geographical origin and distribution of the Company's turnover in both the year ended 31 December 2020 and twelve months ended 31 December 2019 is the United Kingdom. The head office and other activities relate mainly to the activities of the Company, which acts as the holding company for the Group and which generates third party rental income from its properties.

	Net assets	
	31 December 2020 £'000	31 December 2019 £'000
Continuing operations		
Property investment and rental income	5,399	5,503
Discontinued operations		
Insurance broking	(1,442)	(1,442)
	3,957	4,061

4. Administrative expenses

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Cost of sales	14	16
Administrative expenses	125	219

Cost of sales relates to property management service charges incurred.

5. Other operating income

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Other operating income	93	-

Other operating income relates to income of £93,000 (2019: £nil) from the utilisation of available capital allowances arising from certain terms contained in the Sale and Purchase Agreement covering the disposal of Lec Refrigeration Plc., a former associate of Sime Darby Property (London) Limited.

6. Operating profit / (loss)

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Operating profit / (loss) is stated after charging:		
Depreciation (Note 11)	1	2
Auditors' Remuneration:		
- Fees payable to the Company's auditors for the audit of the financial statements	14	23
Fees payable to the Company's auditors for other services:		
- Tax compliance services	11	5
Operating lease rentals	-	5

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7. Profit on disposal of fixed assets

There were no disposals of fixed assets during the year (12 months to 31 December 2019: £nil).

8. Interest receivable and similar income

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Bank deposits	-	8
Trade interest	7	-
Interest receivable from amounts owed by fellow group undertaking	-	201
Total interest receivable and similar income	7	209

Surplus funds are placed on fixed term interest deposit accounts with certain UK banks as appropriate based on available market rates.

9. Directors' remuneration

The directors' remuneration for their services to the Company in the year ended 31 December 2020 were £Nil (12 months to 31 December 2019: £Nil). All of the directors who served in the year and prior period are remunerated by a fellow overseas group undertaking and not by this Company. It is not possible to determine a specific allocation for services rendered to this Company as their role as directors of this Company is merely incidental to their role within the wider Sime Darby Property Berhad Group. Aggregate remunerations of the highest paid director amounted to £Nil in the year ended 31 December 2020 (12 months to 31 December 2019: £Nil).

10. Particulars of employees

The average monthly number of persons employed by the Company (excluding directors) during the year was:

	12 Months to 31 December 2020 Number	12 Months to 31 December 2019 Number
Head office	-	-

Staff costs during the year/period were as follows:

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Wages and salaries	-	40
Social security costs	-	-
Total staff costs	-	40

Wages and salaries include an amount of £nil (12 months to 31 December 2019: £24,000) in respect of a termination payment.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

11. Tax on profit

(a) Analysis of charge / (credit) in year/period

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
Current tax		
- Current period	-	11
- Adjustment in respect of previous periods	(17)	(2)
Total current tax credit	(17)	9
Deferred tax		
- Current period	(40)	70
Total deferred tax credit	(40)	70
Total taxation (credit)/charge for the year	(57)	79

No tax charge or credit arises in other comprehensive income.

(b) Factors affecting the tax charge / (credit) for the year/period

The tax assessed for the year is lower than (12 months to 31 December 2019: lower than) the standard rate of corporation tax in the UK of 19.00% (12 months to 31 December 2019: 19.00%). The differences are explained below:

	12 Months to 31 December 2020 £'000	12 Months to 31 December 2019 £'000
(Loss)/profit before taxation	(161)	441
(Loss)/profit multiplied by standard rate of Corporation tax in the UK of 19.00% (12 months to 31 December 2019: 19.00%)	(31)	84
Effects of impact of:		
Movement in unrecognised deferred tax	9	(3)
Income not taxable	(18)	-
Adjustment in respect of previous periods	(17)	(2)
Total tax (credit) / charge	(57)	79

Provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief. The total amount provided for is £118,000 (At December 2019: £158,000).

Deferred tax liabilities are presented within provisions for liabilities. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profit. At the Budget 2020, the government announced that the Corporation Tax main rate for the year commencing 1 April 2020 and 1 April 2021 would remain at 19%. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements and will not have a material impact in the financial statements.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

11. Tax on profit (continued)

(b) Factors affecting the tax charge / (credit) for the year/period (continued)

Closing deferred tax balances have been valued at 19% (12 months 31 December 2019: 19%). The directors are not aware of any other factors that may affect future tax charges.

12. Tangible assets

	Fixtures and fittings £'000	Total £'000
Cost		
At 1 January 2020	26	26
At 31 December 2020	26	26
Accumulated depreciation		
At 1 January 2020	24	24
Charge for the year	1	1
At 31 December 2020	25	25
Net book amount	1	1
At 31 December 2020		
At 31 December 2019	2	2

13. Investment property

	31 December 2020 £'000	31 December 2019 £'000
Opening balance	3,540	3,171
Disposals	-	-
Revaluation during the year	(210)	369
	3,330	3,540

Open market valuations of investment properties were undertaken on 31 December 2020 by Bishop Beamish Limited, using sales data for comparable properties in a similar location and an uplift made to the observable price per square foot to take into account market conditions at the valuation date. Open market valuations were carried out in accordance with The Royal Institution of Chartered Surveyors Valuation Standards.

On the historical cost basis, the net book value of properties carried at valuation is £2,497,000 (At 31 December 2019: £2,551,000), comprising cost of £2,710,000 (At 31 December 2019: £2,710,000) and related accumulated depreciation of £213,000 (At 31 December 2019: £159,000).

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

14. Investments

(a) Investment values

	Loans to subsidiary undertakings 31 Dec 2020 £'000	Loans to subsidiary undertakings 31 Dec 2019 £'000
Cost		
At opening	1,634	1,634
Cumulative provisions for diminution in value	(1,634)	(1,634)
Net book value	-	-

Loans to subsidiary undertakings above relate to the Robert Bradford Group and are deemed not recoverable as at 31 December 2020 and 31 December 2019 due to the net liability position of the Robert Bradford Group as at those dates as disclosed below.

Sime Darby Far East (1991) Limited, a former shareholder of the Company, had unconditionally guaranteed all payments made by the Company, under the funding and indemnity agreement dated 15 June 1982, to the Robt. Bradford Group. Under the terms of the Loan Restructuring Agreement dated 25 August 2017, Sime Darby Far East (1991) Limited were fully released and discharged from all liabilities arising under or in connection with the Guarantee.

The loans due to Sime Darby Far East (1991) Limited from Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited amounting to £13,540,324 and £15,116,584 respectively were released and discharged by Sime Darby Far East (1991) Limited on 25 August 2017 as part of a Loan Restructuring Agreement (see Note 2). The Company has made a provision of £1,442,000 (12 months to 31 December 2019: £1,442,000) against the Robt. Bradford Group's net liabilities of £1,442,000 at 31 December 2020 (At 31 December 2019: £1,442,000 net liabilities) – see Note 18.

(b) Details of investments

Details of companies in which the Company holds more than 10% of any class of equity share capital or more than 10% of the total allotted share capital are given below:

Name of company	Country of Incorporation	Proportion of equity and voting rights held
Insurance Broking		
Robt. Bradford & Company Limited	England	100%
Robt Bradford Hobbs Savill Limited	* England	98.92% dividend interest 88.04% issued share capital

*Held by a subsidiary undertaking

In the opinion of the directors, the value of the Company's investments in its subsidiaries is not less than the amount stated in the balance sheet.

All companies' country of incorporation represents the principal country of operation. All subsidiaries have not been consolidated within these financial statements. The registered office address for Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited is Thomas Eggarr House, Friary Lane, Chichester, West Sussex, PO19 1UF.

Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited were dormant in the year ended 31 December 2020.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

15. Debtors – amounts falling due after more than one year

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed by group undertakings	-	-
	-	-

During the year ended 31 December 2020, the Company capitalised unpaid interest of £nil (12 months to 31 December 2019: £352,000).

On 30 April 2019, the Company entered into an agreement with Sime Darby Property (Hong Kong) Limited, a fellow group undertaking, and Sime Darby Property Berhad, immediate parent undertaking, to novate the loan facility of up to £12,951,364 owed to the Company by Sime Darby Property (Hong Kong) Limited ("Outgoing Borrower") to Sime Darby Property Berhad ("Incoming Borrower"). On 1 May 2019, the terms of the loan agreement dated 4 June 2012 were changed so that no interest would be charged on the loan with effect from this date. On 23 May 2019, the Company made a distribution on the ordinary shares of the Company to the sole shareholder of the Company, Sime Darby Property Berhad, in the aggregate amount of £18,479,131 comprising a cash dividend of £6,100,000 and the waiver of the intercompany loan owing from the sole shareholder of the Company in an amount, including accrued interest, of £12,379,131.

16. Debtors – amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed by group undertakings	160	160
Other debtors	2,060	1,951
Corporation tax	4	-
	2,224	2,111

The amounts owed by group undertakings are unsecured, have no fixed repayment dates and are currently interest free. Other debtors include an amount of £1,947,000 (At 31 December 2019: £1,947,000) in respect of exchange deposits on the purchase of 2 residential apartments (At 31 December 2019: 2 residential apartments) as part of Phase 2 of the Battersea Power Station Development Scheme expected to be completed in 2021.

17. Creditors - amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Trade creditors	1	1
Amounts owed to group undertakings	223	198
Corporation tax	-	13
Accruals and deferred income	80	47
	304	259

The amounts owed to group undertakings are unsecured, have no fixed repayment dates and are interest free.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

18. Provisions for liabilities

	Provision for diminution in subsidiaries (a) £'000	Provision for Deferred Taxation (b) £'000	Total £'000
At 1 January 2020	1,442	158	1,600
Released during the year	-	(40)	(40)
At 31 December 2020	1,442	118	1,560

The Company has an unrecognised deferred tax asset at the year-end totalling £35,000 (As at 31 December 2019: £28,000), which relates to accumulated capital allowances. There was no change to the corporation tax rates during the year. The asset would be recovered in future years if sufficient taxable profits arose for these capital allowances to be utilised.

(a) The provision for diminution in subsidiaries relates to the net liabilities of the Robt. Bradford Group as at 31 December 2020 (see Note 2).

(b) Deferred tax arises on the revaluation gain on investment properties. There is no expiry date for unprovided deferred tax.

19. Called up share capital

	31 December 2020 £'000	31 December 2019 £'000
Authorised: 50,000,000 (At 31 December 2019: 50,000,000) ordinary shares of £1 each	50,000	50,000
Allotted, issued and fully paid: 1 (At 31 December 2019: 1) ordinary share of £1 each	-	-

There is a single class of ordinary shares. The rights attributable to these shares are as follows:

- Voting rights: one vote per share;
- Dividend rights: each share ranks equally for any dividend declared; and
- Distribution rights on winding up: each share ranks equally.

On 28 March 2019, the directors agreed via special resolution that the issued share capital of the Company be reduced from £38,493,886 to £1 by cancelling and extinguishing 38,493,885 of the issued ordinary shares of £1.00 each in the Company each of which is fully paid up and the amount by which the share capital is so reduced be credited to a distributable reserve and that the share premium account of the Company be cancelled and the amount of the share premium account so cancelled be credited to a distributable reserve.

Dividends paid

	2020 £'000	2019 £'000
Equity – Ordinary		
Interim 2020: £Nil (2019: £18,479,000 paid at £18,479,000 per share)	-	18,479
Total dividends paid	-	18,479

The directors do not recommend a final dividend for the year ending 31 December 2020.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

20. Operating lease commitments

The Company had £nil (2019: £nil) future minimum lease payments under non-cancellable operating leases.

21. Contingent liabilities and financial commitments

As referred to in Note 2, Sime Darby Property (London) Limited has entered into a Loan Restructuring Agreement dated 25 August 2017 with Sime Darby Berhad, Kumpulan Sime Darby Berhad, Sime Darby Far East (1991) Limited, Robt. Bradford & Company Limited and Robt Bradford Hobbs Savill Limited, whereby they will indemnify Sime Darby Berhad and Kumpulan Sime Darby Berhad from all liabilities and losses incurred by either of them which they would be required to pay under the terms of the Funding & Indemnity Agreement dated 15 June 1982. As part of the terms of the Loan Restructuring Agreement dated 25 August 2017 a fellow group undertaking which had previously unconditionally guaranteed all payments made by Sime Darby Property (London) Limited (formerly Sime Darby London Limited) under the Funding & Indemnity Agreement was released and discharged from the unconditional guarantee. The Company has made a provision of £1,442,000 (At 31 December 2019: £1,442,000) against the Robt. Bradford Group net liabilities of £1,442,000 at 31 December 2020 (At 31 December 2019: £1,442,000).

The Company has confirmed that it will provide certain of its subsidiary undertakings with sufficient funds to enable them to meet their obligations and commitments as and when they fall due (Note 18).

The Company disposed of the Airfield land in Bognor Regis on an unconditional basis on 20 June 2016 and is a named insured party on an environmental insurance policy taken out by the purchaser of the Airfield land covering environmental liability (pollution) up to a maximum sum of £1,000,000 for a period of 10 years from date of disposal.

The Company has exchanged contracts for the purchase of 2 residential apartments (At 31 December 2019: 2 residential apartments) from Phase 2 of the Battersea Power Station Development Scheme which are currently in the course of construction by a third party. The Company has paid exchange deposits of £1,947,000 as at 31 December 2020 (At 31 December 2019: £1,947,000) and further sums of £6,374,000 (At 31 December 2019: £6,374,000) are payable by the expected completion date for Phase 2 during the year ending 31 December 2021.

As part of the contractual terms for the purchase of 2 residential properties from Phase 2 of the Battersea Power Station Development Scheme, if the date for completion of the properties was later than 31 December 2019, the Company would be entitled to a full refund of any deposits paid in respect of the 2 properties and would be able to cancel the contracts without any further obligation. The Company has received an offer from the seller to discount the price of each property in exchange for a waiver of the right to cancel the contracts. Having considered the offer, the Company has decided to cancel the contracts for the purchase of 2 residential properties from Phase 2 of the Battersea Power Station Development Scheme. The seller was notified of this decision on 24 May 2021.

22. Related party transactions

The results of the Company are consolidated in the results of Sime Darby Property Berhad, whose financial statements are publicly available. The Company is exempt under the terms of paragraph 33.1A of FRS 102 – 'Related Party Disclosures', from disclosing related party transactions with entities that are wholly owned by the Sime Darby Property Berhad Group of companies.

Sime Darby Property (London) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Ultimate parent undertaking

The immediate holding company of the Company and the largest and smallest group of undertakings for which financial statements are drawn up and of which the company is a member, is Sime Darby Property Berhad, a company incorporated in Malaysia, listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use. The Directors also regards Permodalan Nasional Berhad as its penultimate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia. A copy of the financial statements of Sime Darby Property Berhad can be obtained from the registered office of Sime Darby Property (London) Limited at Thomas Eggar Secretaries Limited, Thomas Eggar House, Friary Lane, Chichester, West Sussex, PO19 1UF.

24. Post Balance Sheet Events

In March 2020, the United Kingdom was impacted by the Covid-19 pandemic and the country has since been subject to varying degrees of lockdown arrangements by the government. Whilst not an adjusting event, the full impact of this event on the Company is not yet known and the future fair market value of the investment property held may be lower than the carrying value at 31 December 2020. Additionally, construction activities in respect of Phase 2 of the Battersea Power Station Development Scheme have been impacted by the lockdown arrangements however the exchange deposits paid to date in respect of two residential properties in the development continue to be considered recoverable as construction is expected to be completed in 2021. As indicated in Note 21, on 24 May 2021, the Company notified the seller of the Company's decision to rescind the contracts to purchase 2 residential properties from Phase 2 of the Battersea Power Station Development Scheme.