

THE LONDON OUTPOST LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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THE LONDON OUTPOST LIMITED

COMPANY INFORMATION

DIRECTORS

M El-Solh
M Thevenoux (resigned 15 May 2019)
M Mikati (appointed 15 May 2019)

COMPANY SECRETARY

K Millie-James

REGISTERED NUMBER

01799743

REGISTERED OFFICE

Unit 2 Capital Business Park
Manor Way
Borehamwood
Hertfordshire
WD6 1GW

ACCOUNTANTS

Bishop Fleming Bath Limited
Chartered Accountants
Minerva House
Lower Bristol Road
Bath
BA2 9ER

THE LONDON OUTPOST LIMITED

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THE LONDON OUTPOST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The company's principal activity throughout the year was that of property investment.

DIRECTORS

The directors who served during the year were:

M El-Solh
M Thevenoux (resigned 15 May 2019)
M Mikati (appointed 15 May 2019)

GOING CONCERN

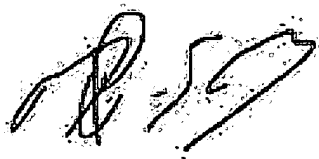
The company relies on the support of fellow group companies. The directors have received assurance that this support will be ongoing for at least 12 months from the approval of these financial statements. The directors continue to monitor the impact of the Covid-19 global health situation on the company but believe there will be no material impact on the future ability of the company to continue to trade.

POST BALANCE SHEET EVENTS

Subsequent to the year end, in early 2020, the company has been impacted by the outbreak of COVID-19. Although this is a non-adjusting post balance sheet event, the directors continue to monitor the impact of the COVID-19 global health situation on the company but believe there will be no material impact on the future ability of the company to continue to trade.

In addition, the directors continue to monitor the impact of the COVID-19 outbreak on the UK property market and the valuation at which the company holds the property, however any change in valuation due to COVID-19 would be a non-adjusting post balance sheet event.

This report was approved by the board and signed on its behalf.



M El-Solh
Director

Date: 30 July 2020

Unit 2 Capital Business Park
Manor Way
Borehamwood
Hertfordshire
WD6 1GW

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 LONDON OUTPOST LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE LONDON OUTPOST LIMITED FOR THE YEAR ENDED 31 DECEMBER 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The London Outpost Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of The London Outpost Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of The London Outpost Limited and state those matters that we have agreed to state to the Board of Directors of The London Outpost Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The London Outpost Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The London Outpost Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The London Outpost Limited. You consider that The London Outpost Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of The London Outpost Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Bishop Fleming Bath Limited

Chartered Accountants

Minerva House
Lower Bristol Road
Bath
BA2 9ER
Date: 13 August 2020

THE LONDON OUTPOST LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Administrative expenses		(108,561)	(149,433)
Unrealised gain on revaluation of investment property		5,529,279	(4,560,180)
OPERATING PROFIT/(LOSS)		5,420,718	(4,709,613)
Interest payable and expenses		(355,973)	(280,524)
PROFIT/(LOSS) BEFORE TAX		5,064,745	(4,990,137)
Tax on profit/(loss)		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		5,064,745	(4,990,137)

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 6 to 10 form part of these financial statements.

THE LONDON OUTPOST LIMITED
REGISTERED NUMBER:01799743

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

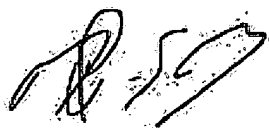
	Note	2019 £	2018 £
FIXED ASSETS			
Investment property		<u>20,000,000</u>	<u>12,750,000</u>
		20,000,000	12,750,000
CURRENT ASSETS			
Debtors: amounts falling due within one year	5	-	56,182
Cash at bank and in hand	6	<u>362,960</u>	<u>961,642</u>
		362,960	1,017,824
Creditors: amounts falling due within one year	7	<u>(29,214,446)</u>	<u>(27,684,055)</u>
NET CURRENT LIABILITIES		(28,851,486)	(26,666,231)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(8,851,486)</u>	<u>(13,916,231)</u>
NET LIABILITIES		<u>(8,851,486)</u>	<u>(13,916,231)</u>
CAPITAL AND RESERVES			
Called up share capital		1,210,282	1,210,282
Share premium account		186,617	186,617
Profit and loss account		<u>(10,248,385)</u>	<u>(15,313,130)</u>
		<u>(8,851,486)</u>	<u>(13,916,231)</u>

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 were approved and authorised for issue by the board and were signed on its behalf by:



M El-Solh
Director

Date: 30 July 2020

The notes on pages 6 to 10 form part of these financial statements.

THE LONDON OUTPOST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The London Outpost Limited is a limited liability company incorporated in England and Wales. The registered office is Unit 2 Capital Business Park, Manor Way, Borehamwood, Hertfordshire, WD6 1GW.

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 following principal accounting policies have been applied:

2.2 GOING CONCERN

The company relies on the support of fellow group companies. The directors have received assurance that this support will be ongoing for at least 12 months from the approval of these financial statements. The directors continue to monitor the impact of the Covid-19 global health situation on the company but believe there will be no material impact on the future ability of the company to continue to trade.

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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 period 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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.4 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 BORROWING COSTS

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

2.6 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the 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 2019**

2. ACCOUNTING POLICIES (continued)

2.10 FINANCIAL INSTRUMENTS

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

3. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018: £Nil).

THE LONDON OUTPOST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2019	12,750,000
Additions at cost	1,720,721
Surplus on revaluation	5,529,279
AT 31 DECEMBER 2019	20,000,000

The 2019 valuations were made by Knight Frank, on an open market value for existing use basis.

Subsequent to the year end, the directors continue to monitor the impact of the COVID-19 outbreak on the UK property market and the valuation at which the company holds the property, however any change in valuation due to COVID-19 would be a non-adjusting post balance sheet event.

5. DEBTORS

	2019 £	2018 £
Other debtors	-	53,544
Prepayments and accrued income	-	2,638
	<u>-</u>	<u>56,182</u>

6. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	362,960	961,642
	<u>362,960</u>	<u>961,642</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans	11,537,000	11,600,000
Trade creditors	256,089	579,789
Amounts owed to other participating interests	17,403,346	15,484,575
Accruals and deferred income	18,011	19,691
	<u>29,214,446</u>	<u>27,684,055</u>

The company's bank loan is secured over a fixed charge over the investment property of the company and is guaranteed by other group companies. See note 8 for further information. Interest is charged on the loan at 2.63% and the loan is due for repayment within one year from the balance sheet date.

8. CONTINGENT LIABILITIES

The company, along with other group companies, has entered into a finance facility agreement with HSBC Private Bank Suisse S.A. Under the terms of the agreement the companies are entitled to request loans of up to £45,360,000 to finance ongoing property development. Of this £45,360,000, the company is entitled to request loans of £11,600,000. As at 31 December 2019 the company had received £11,537,000 of funding under this agreement.

Tiverton Global Limited, a fellow group company, is one of the other companies listed in the agreement and is entitled to request loans of £11,620,000 under two separate financing facilities. The company, along with several other group companies, acts as a guarantor of one of these financing facilities of up to £10,800,000 on behalf of Tiverton Global Limited. At the year end Tiverton Global Limited had received £10,743,000 of this funding.

9. RELATED PARTY TRANSACTIONS

At the year end the company owed £17,403,346 (2018: £15,484,575) to a company under common control.

10. CONTROLLING PARTY

The company is a 100% subsidiary of Pipestone Properties Limited, a company incorporated in the British Virgin Islands.

A Mikati is the ultimate controlling party of the company.