

NEWINCCO 1243 LIMITED

FINANCIAL STATEMENTS

Year Ended

31 December 2019

Registered in England and Wales. No: 08551829



NEWINCCO 1243 LIMITED

REPORT OF THE DIRECTORS

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

Principal Activity

The principal activity of the company is that of a holding company.

Results and dividends

The results of the company for the year are set out in detail in the profit and loss account on page 5. Interim dividends of £14,000,000 (2018: £nil) were paid in the current year.

Directors

The directors who served during the year were as follows:

J A Heller

M A Heller

J Mintz

(appointed 11.2.19)

Statement as to disclosure of information to the auditor

The directors in office on 31 December 2019 have stated that as far as they are aware there is no relevant audit information of which the auditor is unaware. Each of the directors have stated that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Going Concern

The directors have considered the ability of the company to continue to operate as a going concern and having given due regard to the impact of COVID-19 on the macro economic conditions in which the company operates and the continuing support of the parent company, are satisfied that the company can continue to operate as a going concern for the foreseeable future, which is a period of at least 12 months from the approval of the financial statements. Further detail on the directors' going concern assessment is contained in the accounting policies, on page 8.

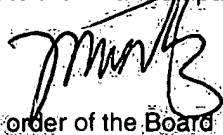
Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

24 Bruton Place
London W1J 6NE
9 November 2020


By order of the Board
Jonathan Mintz
Secretary

NEWINCCO 1243 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NEWINCCO 1243 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWINCCO 1243 LIMITED

Opinion

We have audited the financial statements of Newincco 1243 Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of 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 2019 and of its profits 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

NEWINCCO 1243 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWINCCO 1243 LIMITED

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 any material misstatements in 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2 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.

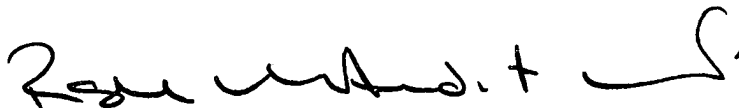
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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.



Geoff Wightwick (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street, London EC4A 4AB
09 November 2020

NEWINCCO 1243 LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
Dividends receivable		<u>14,000,000</u>	<u>-</u>
Profit on ordinary activities before taxation		14,000,000	-
Taxation	1	<u>-</u>	<u>-</u>
Profit for the year		<u>14,000,000</u>	<u>-</u>

Other comprehensive income

The company has no recognised gains or losses other than the profit for the current or previous year.

NEWINCCO 1243 LIMITED

BALANCE SHEET
as at 31 December 2019

Company registration no: 08551829

	Notes	2019 £	2018 £
Fixed assets			
Investments	4	<u>15,000,000</u>	<u>15,000,000</u>
Current assets			
Debtors	5	14,119,235	18,122,612
Creditors : Amounts falling due within one year	6	<u>(14,119,235)</u>	<u>(18,122,612)</u>
Net current assets		<u>-</u>	<u>-</u>
Net assets		<u>15,000,000</u>	<u>15,000,000</u>
 Capital and reserves			
Share Capital	7	<u>15,000,000</u>	<u>15,000,000</u>
Shareholder's funds		<u>15,000,000</u>	<u>15,000,000</u>

These financial statements were approved by the board of directors and authorised for issue on 9 November 2020 and signed on its behalf by:



Jonathan Mintz
Director

NEWINCCO 1243 LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019**

	Share capital £	Profit and loss account £	Total £
As at 1 January 2018	15,000,000	-	15,000,000
Result for the year	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2018	15,000,000	-	15,000,000
Result for the year	<u>-</u>	14,000,000	14,000,000
Dividends paid	<u>-</u>	<u>(14,000,000)</u>	<u>(14,000,000)</u>
As at 31 December 2019	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>

NEWINCCO 1243 LIMITED

ACCOUNTING POLICIES for the year ended 31 December 2019

COMPANY INFORMATION

Newincco 1243 Limited is a private company, limited by shares, incorporated in England and Wales, registration number 08551829. The registered office is 24 Bruton Place, London, W1J 6NE.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of FRS 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Companies Act 2006. There were no material departures from that standard. The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling and rounded to the nearest £.

The financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate controlling party, London & Associated Properties PLC, a company incorporated in England.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.
- Section 33 'Related party disclosures' – Compensation of the key management personnel.

GOING CONCERN

The parent company, London & Associated Properties PLC, has confirmed, via a letter of support, that they will continue to provide the support necessary to enable the company to continue to operate as a going concern for the foreseeable future, which is a period of 12 months from the approval of the financial statements.

The directors of the parent company have prepared and considered trading forecasts and cashflow projections for the group for the period through to December 2021. London & Associated Properties PLC group has carried out additional stress testing given the significant impact of COVID-19 on the macro economic conditions in which the group operates, including scenarios in which the group is unable to recover a significant proportion of rent for an extended period of time.

The company's directors have reviewed these forecasts and consider that London & Associated Properties PLC can continue to provide the necessary support. On that basis, the Directors confirm that they are satisfied that the company has adequate resources and backing to continue in business for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

NEWINCCO 1243 LIMITED

ACCOUNTING POLICIES (continued) for the year ended 31 December 2019

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Deferred tax assets and liabilities are not discounted.

INVESTMENTS

Investments held as fixed assets comprise investments in subsidiaries. Investment in subsidiaries are accounted for at cost less accumulated impairment losses. Investments in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

DIVIDENDS RECEIVABLE

Dividends are credited to the profit and loss account when the dividend is received.

FINANCIAL INSTRUMENTS

Basic financial instruments are recognised at amortised cost with changes recognised in profit and loss account.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

NEWINCCO 1243 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019**

	2019 £	2018 £
1 Taxation		
UK corporation tax on profit for the year	-	-
Total tax	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	<u>14,000,000</u>	<u>-</u>
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 19% (2018: 19%).	<u>2,660,000</u>	<u>-</u>
Non taxable dividend income	<u>(2,660,000)</u>	<u>-</u>
Tax charge of the period	<u>-</u>	<u>-</u>

2 Auditor's remuneration

Auditor's remuneration was paid by London & Associated Properties PLC.

3 Directors and employees

The directors were the only employees and no remuneration was paid to them by the company during the current or preceeding year. Their remuneration is fully detailed in the published accounts of London & Associated Properties PLC.

4 Investments

	Shares in subsidiary undertakings £
Cost	
At 1st January 2019 and 31 December 2019	<u>15,000,000</u>
Net book value	
At 1st January 2019 and 31 December 2019	<u>15,000,000</u>

The company holds more than 20% of the equity of the following subsidiary undertaking:

Subsidiary undertakings	Country of registration / incorporation	Class of holding	Proportion held directly	Nature of business
Direct subsidiary undertaking:				
Newincco 1244 Limited	England & Wales	Ordinary	100%	Ownership of property investments
Indirect subsidiary undertakings:				
Brixton Village Limited	England & Wales	Ordinary	100%	Ownership of property investments
Market Row Limited	England & Wales	Ordinary	100%	Ownership of property investments

The registered office of each of the above is 24 Bruton Place, London, W1J 6NE.

NEWINCCO 1243 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2019

	2019 £	2018 £
5 Debtors		
Amounts due from group undertakings	<u>14,119,235</u>	<u>18,122,612</u>
	2019 £	2018 £
6 Creditors - amounts falling due within one year		
Amount due to group undertakings	<u>14,119,235</u>	<u>18,122,612</u>
	2019 £	2018 £
7 Share capital		
Allotted, issued and fully paid		
15,000,000 Ordinary shares (2018 - 15,000,000) of £1 each	<u>15,000,000</u>	<u>15,000,000</u>

8 Post balance sheet events

COVID-19 and the subsequent lockdown of many of the group's tenants' businesses will have had a short and medium term effect on asset values as tenants' ability to meet their obligations to landlords has been affected in some cases. In the longer term asset values may be affected if there is a more permanent deterioration in the group's tenants' trading due to a wider slowdown in the economy. The directors are unable to give guidance on how this might affect the group's asset values due to the level of uncertainty at this time.

The directors have considered the impact of COVID-19 on the company and are satisfied that there has been no material impact on the asset values post year end and the company can continue to operate as a going concern for the 12 months from the approval of the financial statements. Further detail on the directors' going concern assessment is contained in the accounting policies, on page 8.

9 Ultimate parent company and controlling party

The company is a subsidiary of Newincco 1300 Limited, a company incorporated in England and Wales. The registered office and principal place of business of Newincco 1300 Limited is 24 Bruton Place, London, W1J 6NE. The ultimate parent company, for whom consolidated accounts are prepared, is London & Associated Properties PLC. London & Associated Properties PLC is incorporated in England and Wales and is regarded as the ultimate controlling party of the company and its subsidiaries. The registered office and principal place of business of London & Associated Properties PLC is 24 Bruton Place, London, W1J 6NE.