

COMPANY REGISTRATION NUMBER: 08915164

PLJ Chelsea Limited
Unaudited Financial Statements
31 December 2017



COVENEY NICHOLLS LIMITED

Chartered accountant
The Old Wheel House
31/37 Church Street
Reigate
Surrey
RH2 0AD

PLJ Chelsea Limited
Financial Statements
Year ended 31 December 2017

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PLJ Chelsea Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2017.

Principal activity

The company's principal activity during the year continued to be investment holding.

Directors

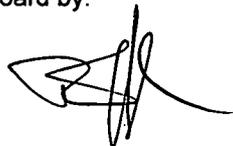
The directors who served the company during the year were as follows:

Mr A C Williams
Mr D P Berman
Mr J R Elkington
Mr J Bendayan

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5-9-18 and signed on behalf of the board by:



Mr J R Elkington
Director

Registered office:
c/o LJ Capital Limited
10 Old Burlington Street
London
United Kingdom
W1S 3AG

PLJ Chelsea Limited
Statement of Income and Retained Earnings
Year ended 31 December 2017

	Note	2017 £	2016 £
Administrative expenses		<u>13,663</u>	<u>4,388</u>
Operating loss		(13,663)	(4,388)
Gain/(loss) on financial liabilities at fair value through profit or loss		595,572	(835,550)
Other interest receivable and similar income	4	<u>1,988</u>	<u>1,404</u>
Profit/(loss) before taxation		583,897	(838,534)
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year and total comprehensive income		<u>583,897</u>	<u>(838,534)</u>
Retained losses at the start of the year		(1,017,186)	(178,652)
Retained losses at the end of the year		<u>(433,289)</u>	<u>(1,017,186)</u>

All the activities of the company are from continuing operations.

The notes on pages 5 to 9 form part of these financial statements.

PLJ Chelsea Limited
Statement of Financial Position
31 December 2017

	Note	2017 £	£	2016 £
Current assets				
Stocks		158,588,457		115,677,156
Debtors	5	494,368		227,509
Cash at bank and in hand		11,137,829		10,112,783
		<u>170,220,654</u>		<u>126,017,448</u>
Creditors: amounts falling due within one year	6	<u>167,329,643</u>		88,175,000
Net current assets			<u>2,891,011</u>	<u>37,842,448</u>
Total assets less current liabilities			<u>2,891,011</u>	<u>37,842,448</u>
Creditors: amounts falling due after more than one year	7		-	<u>35,535,334</u>
Net assets			<u>2,891,011</u>	<u>2,307,114</u>
Capital and reserves				
Called up share capital			30,277	30,277
Share premium account			3,294,023	3,294,023
Profit and loss account			(433,289)	(1,017,186)
Shareholder funds			<u>2,891,011</u>	<u>2,307,114</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.
The notes on pages 5 to 9 form part of these financial statements.

PLJ Chelsea Limited

Statement of Financial Position *(continued)*

31 December 2017

These financial statements were approved by the board of directors and authorised for issue on
5/2/18 and are signed on behalf of the board by:



Mr J R Elkington
Director

Company registration number: 08915164

The notes on pages 5 to 9 form part of these financial statements.

PLJ Chelsea Limited
Notes to the Financial Statements
Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is c/o LJ Capital Limited, 10 Old Burlington Street, London, W1S 3AG, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

All costs directly attributable to the development of a real estate asset, including loan interest, have been capitalised and included in stock.

In respect of real estate purchase transactions, the property is recognised as stock on completion of contracts for purchase.

In respect of real estate sale transactions, revenue is recognised in the profit and loss on completion of contracts for sale. Any deposit received on exchange of contracts is recognised in creditors until completion of sale.

PLJ Chelsea Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

PLJ Chelsea Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	<u>1,988</u>	<u>1,404</u>

5. Debtors

	2017	2016
	£	£
Trade debtors	–	1,481
Amounts owed by group undertakings and undertakings in which the company has a participating interest	91,284	33,600
Other debtors	<u>403,084</u>	<u>192,428</u>
	<u>494,368</u>	<u>227,509</u>

6. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	70,345,023	–
Amounts owed to group undertakings and undertakings in which the company has a participating interest	90,389,919	83,693,165
Other creditors	<u>6,594,701</u>	<u>4,481,835</u>
	<u>167,329,643</u>	<u>88,175,000</u>

The bank loan attracts interest at 3 month LIBOR plus 5.22%. Accrued interest is rolled up into the principal balance of the loan on a quarterly basis. The loan has a maturity date of October 2018, at which point it is repayable in full.

It is secured by the freehold property included in stocks.

7. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	<u>–</u>	<u>35,535,334</u>

8. Financial instruments at fair value

	2017	2016
	£	£
Financial liabilities measured at fair value through profit or loss	<u>406,637</u>	<u>792,369</u>

PLJ Chelsea Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Financial instruments at fair value *(continued)*

The company is party to an interest rate swap derivative instrument, whereby the company pays a fixed rate of 1.3% and receives 3 month LIBOR, based on a facility limited of £78,800,000, of which £70,345,023 (2016: £39,449,470) had been drawn at the year end.

The instrument has been valued at each year end by the company's bankers using the following assumptions:

1) The above instruments were valued using the MID point of the yield curve prevailing on the reporting date. 2) The valuations have been made on a clean basis in that they do not include accrued interest from the previous settlement date to the reporting date. 3) The fair value represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates. 4) The valuations do not include a credit valuation adjustment.

The instrument has a maturity date of 20 October 2018. Payments under the swap are due quarterly in arrears.

The changes in fair value recognised through profit and loss during the year were £595,572 (2016 - £835,550).

9. Contingencies

Wilmington Trust Sp Services (Frankfurt) Gmbh hold a fixed and floating charge over the freehold land included in stock in connection with the bank borrowings included in current liabilities (2016 - Non-current liabilities)

The company also guarantees the bank borrowings of PLJ Mezz Borrower UK Limited of £20,110,527 (2016 - £17,944,971).

10. Related party transactions

The ultimate parent company was jointly owned by PLJ Chelsea S.à.r.l and Golden Line S.A throughout the current year. There is no majority shareholder and therefore no ultimate controlling party.

During the year, PLJ Chelsea S.à.r.l. advanced loans totalling £45,000 (2016 - £nil) to the company. Interest totalling £1,849 (2016 - £nil) accrued on this loan during the year. As part of a group refinancing, repayments of £nil (2016 - £nil) were made during the year. The company also incurred expenses totalling £nil (2016 - £49,429) on behalf of PLJ Chelsea S.à.r.l. during the year. The outstanding balance at the year end was £147,645 (2016 - £113,562).

During the year, the company was advanced loans totalling £nil (2016 - £9,100,000) by PLJ Holdco UK Limited, the immediate parent company. Interest of £7,221,754 (2016 - £6,320,095) accrued on this loan. Repayments of £525,000 (2016 - £550,000) were made during the year. A balance of £90,389,919 (2016 - £83,693,165) was outstanding at the year end.

PLJ Chelsea Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. Controlling party

The immediate parent company is PLJ Holdco UK Limited, a company registered in England and Wales.

The ultimate parent company is PLJ Mezz Holdco UK Limited, a company registered in England and Wales.

PLJ Mezz Holdco UK Limited is a 50/50 joint venture between two shareholders, therefore there is no ultimate controlling party.