

**21-31 New Oxford Street
Development Limited**

Annual Report and Financial Statements

For the Year Ended

31 December 2019

Company Number 09560224

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21-31 New Oxford Street Development Limited

Company Information

Directors	M Marks D Brown H Shearer A Hodgetts
Registered number	09560224
Registered office	Level 1 89 Wardour Street London W1F 0UB
Independent auditors	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier Jersey JE1 4XA

21-31 New Oxford Street Development Limited

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21-31 New Oxford Street Development Limited

Strategic Report For the Year Ended 31 December 2019

The Directors present their strategic report of 21-31 New Oxford Street Development Limited (the "Company") for the year ended 31 December 2019.

Principal activities and review of business

On 22 December 2015, the Company was appointed by New Oxford Street Limited, a fellow group company, registered in Guernsey, to procure the design and the construction relating to the redevelopment of a freehold property in London owned by that company. The Company recharges all expenditure incurred relating to the redevelopment of the property to New Oxford Street Limited on a pound for pound basis and additionally charges a development management fee. On 31 July 2019, the Company ceased to charge New Oxford Street Limited the development management fee but continued to recharge development expenditure on a pound for pound basis. On 3 December 2019, New Oxford Street Limited was sold to a third party outside of the group and as per the terms of the transaction, no further development expenditure has been, or is to be, recharged to New Oxford Street Limited.

Future Developments

The Company is expected to continue operating until the date on which works relating to the redevelopment of New Oxford Street Limited's investment property are completed. The Directors currently have no intention to wind down the Company within the going concern period.

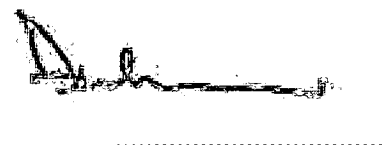
Results for the year and KPIs

The Company's results for the year and its financial position at the end of the year are set out in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows on pages 8 to 11. The total comprehensive income after tax for the year ended 31 December 2019 was £42,402 (2018: £266,376) and net liabilities as at 31 December 2019 were £126,512 (2018: net assets £777,402). The Directors consider the primary key performance indicator of the Company to be total comprehensive income.

Risks and uncertainties

In the normal course of business, the Company is exposed to risks that can affect its operating performance. Further discussion of the risks and how they are managed are discussed in Note 11 - Financial risk management objectives and policies.

This report was approved by the Board on 24 August 2020 and signed on its behalf.



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Director - Daniel Brown

21-31 New Oxford Street Development Limited

Directors' Report For the Year Ended 31 December 2019

The Directors present their annual report and the audited financial statements of 21-31 New Oxford Street Development Limited (the "Company") for the year ended 31 December 2019.

Results and dividends

The results for the year and the Company's approach to Financial Risk Management are included in the Strategic Report on Page 1.

On 29 November 2019, the Directors recommended the payment of a dividend of £946,316 (2018: £Nil).

Details of the business review and future developments of the Company are discussed in the Strategic Report on page 1.

Directors

The Directors who served during the year and up to the report date were:

M Marks
D Brown
H Shearer (appointed 27 August 2019)
A Hodgetts (appointed 15 January 2020)
C Carter Keall (resigned 31 July 2019)
G Smart (resigned 15 January 2020)

The Directors have the benefit of a qualifying indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year and is currently in force. The Company's parent also maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

The financial statements have been prepared on the going concern basis. After making enquiries and taking into consideration the profitability and net liability position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements based on the letter of financial support from Brockton Capital Fund II L.P. and Oxford Jersey Holding Company Limited. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion, the Directors have had particular regard to the emergence of the COVID-19 pandemic that has caused a significant downturn in the global economic outlook. In light of the letters of support referred to above, the Directors have concluded that the pandemic does not impact the Company's ability to continue as a going concern.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved have confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

21-31 New Oxford Street Development Limited

Directors' Report For the Year Ended 31 December 2019

Auditors

PricewaterhouseCoopers CI LLP were appointed as the auditors of the Company on 9 June 2020 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 24 August 2020 and signed on its behalf.



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Director - Daniel Brown

21-31 New Oxford Street Development Limited

Directors' Responsibilities Statement

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 financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 IFRSs as adopted by the European Union 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

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.

Independent auditors' report to the members of 21-31 New Oxford Street Development Limited

Report on the audit of the financial statements

Opinion

In our opinion, 21-31 New Oxford Street Development Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Karl Hairon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
24 August 2020

21-31 New Oxford Street Development Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Revenue	4	10,498,498	72,129,662
Development expenses	5	(10,418,978)	(71,779,817)
		<hr/>	<hr/>
Gross profit		79,520	349,845
Administrative expenses	6	(22,308)	(20,986)
		<hr/>	<hr/>
Operating profit		57,212	328,859
Interest receivable and similar income	7	26	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		57,238	328,859
Taxation on profit on ordinary activities	8	(14,836)	(62,483)
		<hr/>	<hr/>
Profit and total comprehensive income for the year		42,402	266,376
		<hr/> <hr/>	<hr/> <hr/>

All results shown in the Statement of Comprehensive Income are from continuing operations.

All profit and total comprehensive income is attributable to the equity holders of the Company.

The notes on pages 12 to 22 form part of these financial statements.

21-31 New Oxford Street Development Limited

Registered number:09560224

Statement of Financial Position As at 31 December 2019

	Note	2019 £	2018 £
Assets			
Current assets			
Trade and other receivables	9	-	6,308,135
Cash and cash equivalents		4,819,274	3,111,363
		<u>4,819,274</u>	<u>9,419,498</u>
		<u>4,819,274</u>	<u>9,419,498</u>
Total assets			
Liabilities			
Current liabilities			
Trade and other payables	10	4,945,786	8,642,096
		<u>4,945,786</u>	<u>8,642,096</u>
Total liabilities			
		<u>(126,512)</u>	<u>777,402</u>
Net assets / (liabilities)			
Equity attributable to equity holders of the Company			
Share capital	12	1	1
Retained earnings		(126,513)	777,401
		<u>(126,512)</u>	<u>777,402</u>
Total equity			

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 24 August 2020.



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Director - Daniel Brown

The notes on pages 12 to 22 form part of these financial statements.

21-31 New Oxford Street Development Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Share capital £	Retained earnings £	Total equity £
At 1 January 2018	1	511,025	511,026
Comprehensive income for the year			
Profit for the year	-	266,376	266,376
Total comprehensive income for the year	-	266,376	266,376
At 31 December 2018	1	777,401	777,402
Comprehensive income for the year			
Profit for the year	-	42,402	42,402
Total comprehensive income for the year	-	42,402	42,402
Transactions with owners			
Dividend	-	(946,316)	(946,316)
Total transactions with owners	-	(946,316)	(946,316)
At 31 December 2019	1	(126,513)	(126,512)

The notes on pages 12 to 22 form part of these financial statements.

21-31 New Oxford Street Development Limited

Statement of Cash Flows For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows generated from operating activities		
Profit for the financial year	42,402	266,376
Adjustments for:		
Finance income	(26)	-
Taxation	14,836	62,483
Decrease in trade and other receivables	6,308,134	608,930
(Decrease) / increase in trade and other payables	(3,648,644)	1,815,068
Corporation tax paid	(62,501)	(61,372)
Net cash generated from operating activities	2,654,201	2,691,485
Cash flows used in financing activities		
Dividend	(946,316)	-
Interest received	26	-
Net cash used in financing activities	(946,290)	-
Net increase in cash and cash equivalents	1,707,911	2,691,485
Cash and cash equivalents at the beginning of the year	3,111,363	419,878
Cash and cash equivalents at the end of year	4,819,274	3,111,363

The notes on pages 12 to 22 form part of these financial statements.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

The Company was incorporated on 24 April 2015 and is domiciled and registered as a limited company in the United Kingdom.

2. Accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006 and IFRSs as adopted by the European Union.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.

The principal accounting policies adopted in these financial statements are set out below:

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis.

2.2 Going concern

The financial statements have been prepared on the going concern basis. After making enquiries and taking into consideration the profitability and net liability position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements based on the letter of financial support from Brockton Capital Fund II L.P. and Oxford Jersey Holding Company Limited. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion, the Directors have had particular regard to the emergence of the COVID-19 pandemic that has caused a significant downturn in the global economic outlook. In light of the letters of support referred to above, the Directors have concluded that the pandemic does not impact the Company's ability to continue as a going concern.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Changes in accounting policy and disclosures

New and revised standards adopted by the EU that are mandatorily effective for the year ending 31 December 2019

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2019:

- IFRS 16: Leases
- IFRIC 23: Uncertainty over income tax treatments
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 28: Long-term interests in Associates and Joint Ventures
- Annual Improvements to IFRSs (2015-2017 Cycle)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The adoption of the standards and amendments listed above did not have any impact on the financial statements of the Company for the current or any prior period and is not likely to affect future periods.

New and revised IFRSs adopted by the EU that are not mandatorily effective for the year ending 31 December 2019

The following standards and amendments have been adopted by the EU but are not mandatorily effective for the year ended 31 December 2019. Accordingly, they have not been applied in preparing these financial statements.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of Material - Amendments to IAS 1 and IAS 8

The Company is continuing to assess the impact of the new standards above and at present is confident that none will have a material impact on the financial statements of the Company.

New and revised standards and interpretations issued by the IASB but not yet adopted by the EU

A number of new standards and amendments to standards and interpretations have been issued by the IASB but have not yet been adopted by the EU. Accordingly, they have not been applied in preparing these consolidated financial statements:

- IFRS 17: Insurance contracts
- Amendments to IFRS 3 Business Combinations – Definition of a Business
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The Company is assessing the impact of the new standards and interpretations above but none of these are expected to have a significant effect on the financial statements of the Company.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and is recognised when the development management services have been rendered. Development expenses and related recharge income are recognised when incurred.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Financial assets and liabilities

Financial assets

The Company classifies its financial assets into one of the categories set out below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

The Company does not apply hedge accounting.

Amortised cost

The Company's financial assets measured at amortised cost in the Statement of Financial Position comprise trade and other receivables and cash and cash equivalents.

These assets are types of financial assets that are held to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Impairment provisions for trade and other receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of trade and other receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for these receivables. For these receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the Statement of Comprehensive Income. On confirmation that the receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

Financial liabilities

The Company classifies its financial liabilities as 'other financial liabilities'. The Company's accounting policy for other financial liabilities is outlined below.

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

Financial assets and liabilities (continued)

Financial liabilities (continued)

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets and liabilities are classified as current assets and current liabilities if payment is due within 12 months, otherwise they are presented as non current assets and liabilities.

2.6 Provisions

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 economic resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

2.7 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case, the tax is also recognised in other comprehensive income or equity. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Company is registered in the United Kingdom and during the reporting periods was subject to local taxation at the standard rate of 19% (2018: 19%).

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.8 Functional currency

The Company's financial statements are presented in Pounds Sterling, the Company's functional currency, and are generally rounded to the nearest pound.

2.9 Principles for the Statement of Cash Flows

The Statement of Cash Flows has been drawn up according to the indirect method, separating the cash flows from operating activities, investing activities and financing activities (where applicable). The net result has been adjusted for amounts in the Statement of Comprehensive Income and movements in the Statement of Financial Position which have not resulted in cash income or expenditure in the year.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

3. Critical accounting estimates and judgements

There are no particular critical accounting estimates and judgements involved in the preparation of the financial statements.

4. Revenue

	2019 £	2018 £
Development recharge income	10,295,060	71,779,816
Development fee income	203,438	349,846
	<u>10,498,498</u>	<u>72,129,662</u>

All revenue in the current and preceding year arose within the United Kingdom.

5. Development expenses

	2019 £	2018 £
Development expenses	<u>10,418,978</u>	<u>71,779,817</u>

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Administrative expenses

Operating profit is stated after charging:

	2019 £	2018 £
Accountancy fees	17,114	15,576
Auditors' remuneration	4,750	4,500
Bank charges	444	910
	<u>22,308</u>	<u>20,986</u>

The Company has no employees (2018: None). None of the Directors received any emoluments in respect of services as a Director of the Company (2018: £Nil). No non-audit services were provided by the auditors (2018: £Nil).

7. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	<u>26</u>	<u>-</u>

8. Taxation on profit on ordinary activities

	2019 £	2018 £
Current tax on profit for the year	<u>14,836</u>	<u>62,483</u>

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Taxation on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax on the Company's profit differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>57,238</u>	<u>328,859</u>
Profit before taxation on ordinary activities multiplied by the weighted average rate of Corporation Tax in the UK for the year of 19% (2018: 19%)	10,875	62,483
Effects of:		
Non-deductible expenditure	3,961	-
Total tax charge for the year	<u><u>14,836</u></u>	<u><u>62,483</u></u>

There are no deferred tax balances as at 31 December 2019 (2018: £Nil).

9. Trade and other receivables

	2019 £	2018 £
Amounts due from Group companies	-	1
Prepayments and accrued income	-	6,308,134
	<u>-</u>	<u>6,308,135</u>

Prepayments and accrued income in the prior year, related to development expenses incurred but not yet recharged as at the date of the Statement of Financial Position.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Trade and other payables

	2019 £	2018 £
Trade payables	178,865	4,726,930
Corporation tax payable	14,828	62,493
VAT payable	643,588	336,964
Accrued expenses	4,108,505	3,515,709
	<u>4,945,786</u>	<u>8,642,096</u>

11. Financial risk management objectives and policies

The Company's financial assets comprise of cash and short-term deposits that arise directly from its operations.

The Company was exposed to credit and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarised below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. During the reporting periods the Company was not exposed to market risk since it does not hold financial instruments subject to changes in market prices.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. During the reporting periods the Company was exposed to credit risk through its deposits held with banks and through the amounts due from Group companies.

Cash balances are held only with financial institutions with high credit ratings. The Company has policies that limit the amount of credit exposure to any financial institution.

Liquidity risk

The Company's objective is to maintain a balance between continuity and flexibility of funding through the use of intercompany funds. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted cash flows:

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Financial assets

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2019					
Cash and cash equivalents	4,819,274	-	-	-	4,819,274
Total assets	4,819,274	-	-	-	4,819,274

Financial liabilities

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2019					
Trade and other payables	-	4,287,370	-	-	4,287,370
Total liabilities	-	4,287,370	-	-	4,287,370

Financial assets

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2018					
Trade and other receivables	-	6,308,135	-	-	6,308,135
Cash and cash equivalents	3,111,363	-	-	-	3,111,363
Total assets	3,111,363	6,308,135	-	-	9,419,498

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Financial liabilities

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2018					
Trade and other payables	-	8,242,639	-	-	8,242,639
Total liabilities	-	8,242,639	-	-	8,242,639

The Directors have assessed that the carrying values of the Company's financial instruments approximate to their fair values.

12. Share capital

	2019 £	2018 £
Authorised, issued and fully paid		
1 ordinary share of £1	-	1
1 (2018: Nil) ordinary A shares of £0.50 each	0.5	-
1 (2018: Nil) ordinary B shares of £0.50 each	0.5	-
	<u>1</u>	<u>1</u>

On 24 April 2015, the date of incorporation, the Company issued 1 ordinary £1 share at par to Post Holdings (Guernsey) Limited ("PHGL").

On 3 December 2019 the Company subdivided its 1 ordinary share of £1 into 2 A and B ordinary shares of £0.50 each. The A and B shares are voting shares which rank pari passu. On the same day PHGL transferred the A share to Brockton New Oxford Street L.P. ("BNOS LP") and the B share to Oxford Post Investments (Jersey) Limited (OPIJL"), at par.

13. Reserves

A description of the Company's reserves is as follows:

The share capital reserve represents the nominal value of the shares issued.

The retained earnings reserve represents cumulative profit and losses, net of dividends paid and other adjustments.

21-31 New Oxford Street Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Directors monitor capital on the basis of the net assets attributable to the owners of the parent.

15. Related party transactions

BNOS LP, a Guernsey registered partnership with registered office PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP and OPIJL, a Jersey registered company with registered office 47 Esplanade, St Helier, Jersey, JE1 0BD are the equal owners of the issued share capital of the Company.

Transactions and balances with the related parties during the period and as at the Statement of Financial Position date, respectively, have been disclosed in notes 4 and 9.

During the year, the Company charged development costs of £10,295,060 (2018: £71,779,816) and development fees of £203,438 (2018: £349,846) to New Oxford Street Limited.

As at the date of the Statement of Financial Position, the Company has accrued income of £Nil (2018: £6,308,134) receivable from New Oxford Street Limited.

16. Ultimate parent undertaking and controlling party

Until 3 December 2019, the parent company and the immediate controlling party was PHGL, a joint venture between BNOS LP and OPIJL. On that date, PHGL transferred 50% of its investment in the Company to BNOS LP and the remaining 50% to OPIJL. BNOS LP is ultimately controlled by Brockton Capital Fund II GP (Guernsey) Limited (the General Partner of Brockton Capital Fund II L.P.). The financial statements of Brockton Capital Fund II GP (Guernsey) Limited are available at PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP. OPIJL is wholly owned by Oxford Jersey Holding Company Limited ("OJHCL"). OJHCL is owned by Oxford European Holdings Inc. ("OEHI"). OMERS Administration Corporation ("OMERS") is the beneficial owner of OEHI. The consolidated financial statements of OMERS are available from 900-100 Adelaide Street West, Toronto, Ontario, M5H 0E2, Canada. The Directors believe that the Company is jointly controlled by the shareholders of the parent company.

17. Post balance sheet events

The emergence of COVID-19 in 2020 has had a significant impact on the global economy and resulted in severe restrictions of movement of people within the United Kingdom and internationally. However the Directors are satisfied that the significant downturn in the global economic outlook is not indicative of conditions that existed at the balance sheet date and are therefore satisfied that the outbreak represents a non-adjusting post balance sheet event. It is likely that the outbreak could result in an increase in future costs to be incurred by the Company and this impact may be material. However, as of the date of approving the financial statements, the Directors are unable to reliably measure the potential impact.

There were no other events after the reporting date that require disclosure within the financial statements.