

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
ELEPHANT CENTRAL MANAGEMENT LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2020**

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ELEPHANT CENTRAL MANAGEMENT LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

DIRECTORS:

R De Blaby
G J Hyatt

REGISTERED OFFICE:

6th Floor Lansdowne House
Berkeley Square
London
W1J 6ER

REGISTERED NUMBER:

10238166 (England and Wales)

AUDITORS:

Websters
Chartered Accountants and Statutory Auditors
12 Melcombe Place
London
NW1 6JJ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

DIRECTORS

The directors who have held office during the period from 1 April 2019 to the date of this report are as follows:

J M Holmes - resigned 18 July 2019
DV4 Administration Limited - resigned 18 July 2019
A Al-Ajail - resigned 19 July 2019
G S E Smart - resigned 18 July 2019
M Ashraf - appointed 18 July 2019
A M Hodgetts - appointed 18 July 2019
DV4 Administration Limited - appointed 18 July 2019

R De Blaby and G J Hyatt were appointed as directors after 31 March 2020 but prior to the date of this report.

M Tan , M Ashraf , A M Hodgetts and DV4 Administration Limited ceased to be directors after 31 March 2020 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

G J Hyatt - Director

23 March 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELEPHANT CENTRAL MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Elephant Central Management Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet 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 Financial Reporting Standard 102 Section 1A '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 March 2020 and of its result 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

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.

Opinions on other matters 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELEPHANT CENTRAL MANAGEMENT LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

David John Goddard (Senior Statutory Auditor)
for and on behalf of Websters
Chartered Accountants and Statutory Auditors
12 Melcombe Place
London
NW1 6JJ

23 March 2021

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	31.3.20 £	31.3.19 £
TURNOVER		2,555,488	2,191,840
Cost of sales		<u>(2,555,510)</u>	<u>(2,192,327)</u>
GROSS DEFICIT		(22)	(487)
OPERATING DEFICIT	4	(22)	(487)
Interest receivable and similar income		<u>22</u>	<u>487</u>
SURPLUS BEFORE TAXATION		-	-
Tax on surplus		<u>-</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2020

	Notes	31.3.20 £	31.3.19 £
FIXED ASSETS			
Tangible assets	5	159,135	192,119
CURRENT ASSETS			
Debtors	6	943,548	1,227,123
Cash at bank		<u>11,497</u>	<u>26,070</u>
		955,045	1,253,193
CREDITORS			
Amounts falling due within one year	7	<u>(1,114,180)</u>	<u>(1,445,312)</u>
NET CURRENT LIABILITIES		<u>(159,135)</u>	<u>(192,119)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>-</u>
RESERVES		<u>-</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 23 March 2021 and were signed on its behalf by:

G J Hyatt - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Elephant Central Management Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's principal place of business is Elephant Central, Elephant Road, London SE17 1LA.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are also prepared in accordance with the Institute of Chartered Accountants in England and Wales ("ICAEW") Technical Release "Tech 03/11" and taking account of subsequent legal counsel's opinion obtained separately by both ICAEW and the Financial Reporting Council in determining whether a management company acts as principal when contracting with third party suppliers to the property's service charge.

Turnover

Turnover comprises service charge income receivable from leaseholders, Homeplus income and funding from DV4 Eadon Co Limited.

DV4 Eadon Co Limited is a group company registered in the British Virgin Islands and the funding provided is for the set-up and preparation of the site known as Elephant Central, Elephant Road, London SE17 1LA in preparation for its future leasehold occupation.

The funding used for the purchase of tangible fixed assets is deferred on the balance sheet and released to the profit and loss account over the useful economic life of each asset.

Service charge income and funding income are recognised in line with the recognition of expenditure which is being funded.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on cost and 10% on cost

Going concern

The company's financial requirements are being fully funded by DV4 Eadon Co Limited, a group company registered in the British Virgin Islands. Going forward, the company will be fully financed by service charge income.

The directors are not aware of any material uncertainties as to the company's ability to continue as a going concern.

Value added tax

Throughout the year, the company has had an interest in Elephant Central by way of an over-riding lease. Therefore all service charge expenditure in relation to the residential units of the property is included inclusive of VAT.

The company has elected to waive the exemption from VAT in respect of its interest in Elephant Central. Therefore all service charge expenditure in relation to the commercial units of the property is included exclusive of VAT.

All other expenditure is included exclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

3. EMPLOYEES AND DIRECTORS

The average number of persons employed by the company during the year (excluding directors) was 29. (2019: 27).

The directors received no remuneration during the year.

4. OPERATING DEFICIT

The operating deficit is stated after charging:

	31.3.20	31.3.19
	£	£
Depreciation - owned assets	32,984	32,786
Auditors' remuneration	<u>3,500</u>	<u>3,250</u>

The total income derived from group undertakings during the year was £43,796 (2019: £148,079), being funding of set up costs incurred.

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2019 and 31 March 2020	<u>262,593</u>
DEPRECIATION	
At 1 April 2019	70,474
Charge for year	<u>32,984</u>
At 31 March 2020	<u>103,458</u>
NET BOOK VALUE	
At 31 March 2020	<u>159,135</u>
At 31 March 2019	<u>192,119</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Amounts owed by group undertakings	259,269	314,234
Other debtors	<u>684,279</u>	<u>912,889</u>
	<u>943,548</u>	<u>1,227,123</u>

The following balances as at 31 March 2020 are recognised in other debtors:

Monies were held in a designated client account managed by Savills. The balance of company funds held was £13,928 (2019 : £2,027).

A balance of £284,404 (2019 : £633,384) was due from Elephant Central service charge trust.

During the year, service charge monies were held in trust in designated client accounts managed by Savills. Such balances are not recognised on the company's balance sheet, in accordance with the Institute of Chartered Accountants in England and Wales ("ICAEW") Technical Release "Tech 03/11". The company held service charge funds of £383,620 (2019 : £376,050) in trust.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade creditors	164,290	350,761
Amounts owed to group undertakings	382,106	511,682
Other creditors	567,784	582,869
	<u>1,114,180</u>	<u>1,445,312</u>

8. RECLASSIFICATION OF PRIOR YEAR BALANCES

The statutory trust created in respect of the service charge monies demanded from tenants of residential units on the development does not extend to amounts demanded in respect of commercial units. The comparative figures in the balance sheet have been reclassified to exclude from the balance due from the service charge trust (referred to in note 6) those assets and liabilities relating to the non-residential service charge activities.

As a result, £314,234 of the balance previously included in other debtors has been re-classified as amounts owed by group undertakings, £192,761 as amounts owed to group undertakings and £(109,791) as other creditors. The overall effect of the above movements is a reduction of £397,204 to the balance due from the service charge trust (note 6).

9. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. In the event that the company is wound up, the members have undertaken to contribute up to £1 each towards any deficit.

10. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and to assist with the preparation of the financial statements.

11. CONTROLLING PARTY

The ultimate controlling party throughout the year was Get Living plc, registered in England & Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.