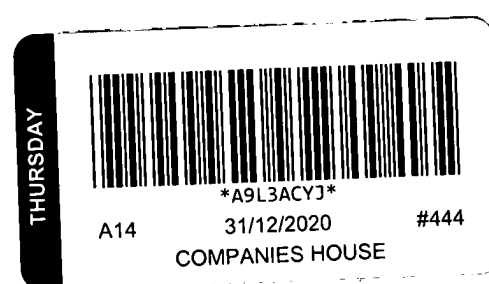


# Pandox Birmingham Propco Limited

Directors' report and  
financial statements

Year ended 31 December 2019

**Registered number: 11153346**



# Padox Birmingham Propco Limited

## Directors' report and financial statements

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# Padox Birmingham Propco Limited

## Directors and other information

<b>Directors</b>	Liia Nõu Daniel Marc Richard Jaffe Soren Jonas Törner Andre Ayodele Williams
<b>Secretary</b>	Intetrust (UK) Limited
<b>Registered office</b>	1 Bartholomew Lane London United Kingdom EC2N 2AX
<b>Bankers</b>	Svenska Handelsbanken AB
<b>Registered number</b>	11153346

# Padox Birmingham Propco Limited

## Directors' report

The directors present their annual report on the affairs of Padox Birmingham Propco Limited (the "Company"), together with the unaudited financial statements, for the year from 1 January 2019 to 31 December 2019.

### Principal activity

The principal activity of the Company in the period under review is that of being a holding company.

### Principal risks and uncertainties

The principal risks are considered to be the wider global economic environment. These risks are reviewed and managed through the Company's business performance and risk management.

### Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 8 and in the related notes. No dividend was paid or proposed during the year.

### Directors

The directors of the Company who served during the period and up to the date of signing were:

- Liia Nou
- Daniel Marc Richard Jaffe
- Soren Jonas Törner
- Andrea Ayodele Williams

### Going concern

The Directors, after carrying out necessary enquiries, believe that the Company has adequate sources of funding to meet its future investments and the payment of its expenses and is well placed to manage its business risk successfully.

As a consequence of the above, the Directors have reasonable expectation that the Company has adequate resources and procedures in place to manage its business risks for the foreseeable future. Accordingly, the Company has adopted the going concern basis in the preparation of the financial statements.

### Political donations and charitable contributions

The Company made no political donations or charitable donations during the year.

### Subsequent events

The existence of the novel Coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and economic activity. The Company considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company. However, the coronavirus could impact the investments and loans outstanding of the Company.

# Pandox Birmingham Propco Limited

## Directors' report

### Subsequent events (continued)

The Company owns investment property in Europe and could be affected by decreasing values of the investment property and pressure on rental income due to bankruptcies by tenants or requested extensions and/or rent deductions requested by tenants. Hence, for the Company this could result in an impairment of the investments and loans outstanding of the Company and it might result in lower dividend streams upwards from the Company.

The Company itself has sufficient liquidity to be able to pay its own expenses, which are limited to some general expenses the Company needs to make. The Company tries to limit the expenses as much as possible. In addition, the Company has not provided any guarantees.

As a result, whilst uncertain, the directors do not believe, however, that the impact of the Covid-19 virus would have a material adverse effect on our financial condition or liquidity of the Company.

Management is not aware of any other significant events that have occurred since the balance sheet date that were not included in the financial statements.

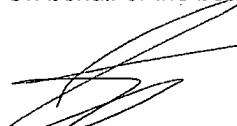
### Directors' indemnities

The Company has granted the directors with qualifying third-party indemnity provisions within the meaning given to the term by section 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company. Such indemnities were in force throughout the financial year and will remain in force at the date of this report.

### Small companies' exemption

The Company qualifies as a small company in accordance with sections 381-383 of the Companies Act 2006 (the "Act"). The directors' report has therefore been prepared taking into consideration the entitlement to small companies exemption provided in section 414B (as incorporated to the Act by the Strategic Report and Directors' Report Regulations 2013) and 415A of the Act.

On behalf of the board



Søren Jonas Törner  
Director



Daniel Jaffe  
Director

Date: 29th December 2020

# Padox Birmingham Propco Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Søren Jonas Törner  
Director



Daniel Jaffe  
Director

Date: 29th December 2020

# Pandox Birmingham Propco Limited

## Profit and loss account and other comprehensive income for the year ended 2019

		For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
	Note		
<b>Turnover</b>			
Rental income		4,980,724	2,408,181
Other operating income		97,875	221,100
<b>Gross profit</b>		<b>5,078,599</b>	<b>2,629,281</b>
Amortization		(7,819)	(2,606)
Depreciation	5	(1,486,000)	(495,333)
General operating costs		(327,378)	(356,817)
<b>Total operating profit</b>	3	<b>3,247,402</b>	<b>1,774,525</b>
<b>Profit on ordinary activities before taxation</b>		<b>3,247,402</b>	<b>1,774,525</b>
Income tax expense	4	(580,309)	(430,198)
<b>Profit for the financial year/period</b>		<b>2,667,093</b>	<b>1,344,327</b>

The Company had no other comprehensive income during the current or preceding financial year and accordingly no statement of comprehensive income is presented.

The accompanying notes form an integral part of these financial statements.

# Padox Birmingham Propco Limited

## Balance sheet

as at 31 December 2019 (after result appropriation)

	Note	31 Dec 2019 £	31 Dec 2018 £
<b>Fixed assets</b>			
Property	5	72,394,274	73,804,667
Construction in progress		75,607	-
Financial assets	6	838,027	845,846
<b>Total non-current assets</b>		<b>73,232,301</b>	<b>74,650,513</b>
<b>Current assets</b>			
Cash at bank and in hand		1,139,882	1,418,365
Debtors	7	6,449,103	2,440,063
<b>Total current assets</b>		<b>7,588,985</b>	<b>3,858,428</b>
<b>TOTAL ASSETS</b>		<b>80,821,286</b>	<b>78,508,941</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	75,629,214	76,121,456
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	9	1,138,763	1,030,463
Provision	10	41,789	12,595
<b>TOTAL LIABILITIES</b>		<b>76,809,766</b>	<b>77,164,514</b>
<b>NET ASSETS</b>		<b>4,011,520</b>	<b>77,465,883</b>
<b>Capital and reserves</b>	11		
Called up share capital		100	100
Retained earnings		4,011,420	1,344,327
<b>SHAREHOLDERS' EQUITY</b>		<b>4,011,520</b>	<b>1,344,427</b>

"For the financial year in question the company was entitled to exemption under section 477 of the Companies act 2006 related to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies act 2006.

The directors acknowledge their responsibility for complying with the requirements of the act with respect to accounting records and for the preparation of accounts.


These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime."

The accompanying notes form an integral part of these financial statements.



# Pandox Birmingham Propco Limited

On behalf of the board



Søren Jonas Törner  
*Director*



Daniel Jaffe  
*Director*

Date: 29th December 2020

## Padox Birmingham Propco Limited

### Statement of changes in equity *for the year ended 2019*

	Share capital £	Retained earnings £	Total £
At 16 January 2018	100	-	100
<b>Comprehensive income</b>			
Profit for the period	-	1,344,327	1,344,327
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2018</b>	<b>100</b>	<b>1,344,327</b>	<b>1,344,427</b>
	<hr/>	<hr/>	<hr/>
<b>Comprehensive income</b>			
Profit for the year	-	2,667,093	2,667,093
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>100</b>	<b>4,011,420</b>	<b>4,011,520</b>
	<hr/>	<hr/>	<hr/>

# Padox Birmingham Propco Limited

## Notes

*forming part of the financial statements*

### 1 Reporting entity

Padox Birmingham Propco Limited is a Private Company limited by share capital incorporated in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. Its registered office is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

### 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

#### **Basis of accounting**

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information.

As the consolidated financial statements of Padox AB include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.
- *The requirements of IAS 7 Statement of Cash Flows:*
- *The requirements of paragraph 17 of IAS 24 Related Party Disclosure: and*
- *The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.*

#### **Basis of measurement**

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

# Padox Birmingham Propco Limited

## 2 Accounting policies *(continued)*

### **Exemption from preparing consolidated financial statements**

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Padox Aktiebolag

The results of Padox Birmingham Propco Limited are included in the consolidated financial statements of Padox Aktiebolag which are available at their registered address of: SE-101 20 Stockholm, Sweden, Vasagatan 11, 9th floor.

### **Functional currency**

These financial statements are presented in Sterling, being the functional currency of the Company.

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if hedged, at the contracted rate. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet date. All gains and losses arising are reflected in the profit and loss account.

### **Going concern**

As at 31 December 2019 the Company had total liabilities of £76,809,766 and total assets of £80,821,286. The Company has a positive equity of £4,011,520.

The Directors, after carrying out necessary enquiries, believe that the Company has adequate sources of funding to meet its future investments and the payment of its expenses and is well placed to manage its business risk successfully.

As a consequence of the above, the directors are satisfied that it is appropriate to prepare the Company financial statements on a going concern basis.

### **Comparison previous year**

Given the Company was incorporated on January 16, 2018, the comparative figures pertain to the shortened period January 16, 2018 until December 31, 2018 (the "first financial period"). The accounting principles remained unchanged compared to the first financial period.

# Pandox Birmingham Propco Limited

## Notes

### 2 Accounting policies (*continued*)

#### **Fixed assets**

##### ***Property***

Buildings are shown at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Building: 50 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### **Taxation**

Income expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

# Pandox Birmingham Propco Limited

## Notes

### 2 Accounting policies (*continued*)

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument and are derecognised on the date it ceases to be party, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction such that substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company's financial instruments comprise a deemed loan to the originator, cash and liquid resources, borrowings and various receivables and payables that arise from its operation. These financial instruments are classified as described below:

##### *Trade and other receivables*

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and on demand deposits.

#### **Provisions and contingent liabilities**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

#### **Use of estimates and judgements**

The reported results of the Company for the year to 31 December 2019 are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The Company's principal accounting policies are set out above. The preparation of financial statements requires the directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent.

##### *Fair value of financial instruments*

Where the fair value of financial assets and liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined by using valuation techniques and counterparty valuations or discounted cash flows models. The inputs to such models are taken from observable markets where possible but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

# Pandex Birmingham Propco Limited

## Notes

### 3 Total operating profit

The profit before taxation has been arrived at after charging the following items:

	For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
Professional fees	176,829	135,671

The Directors did not receive any remuneration during the financial year (2018: Nil).

### 4 Taxation

	For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
Current tax charge	551,115	417,603
Deferred tax charge	29,194	12,595
<b>Tax charge</b>	<b>580,309</b>	<b>430,198</b>

#### *Factors that may affect future tax charges*

As announced in the March 2020 Budget, the UK's corporation tax will be set at 19% for the financial year beginning 1 April 2020. This maintains the rate at 19%, rather than reducing it to 17% from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

### 5 Property

	For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
Costs as at beginning of the year	73,804,667	74,300,000
Depreciation for the year	(1,486,000)	(495,333)
Additions: Construction in progress	75,607	-
<b>At 31 December 2019</b>	<b>72,394,274</b>	<b>73,804,667</b>

# Padox Birmingham Propco Limited

## Notes

### 6 Financial assets

Finance lease

	For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
At 1 January 2019	845,846	848,452
Amortisation	(7,819)	(2,606)
	<hr/>	<hr/>
<b>At end of year</b>	<b>838,027</b>	<b>845,846</b>
	<hr/>	<hr/>

<b>7 Debtors:</b> amounts falling due within one year	<b>31 Dec 2019</b> £	<b>31 Dec 2018</b> £
Trade receivables	1,252,705	1,372,928
Receivable from group companies	5,196,388	1,004,645
Other receivables	10	62,490
	<hr/>	<hr/>
	<b>6,449,103</b>	<b>2,440,063</b>
	<hr/>	<hr/>

The amount due from group companies relates to an interest free short-term advance to Padox Midco B.V. ("Midco").

<b>8 Creditors:</b> amounts falling due within one year	<b>31 Dec 2019</b> £	<b>31 Dec 2018</b> £
Prepaid rent	878,332	866,935
Due to group company	74,010,091	74,253,660
Taxes	704,525	779,761
Other payables	23,819	221,100
Accrued expenses	12,447	-
	<hr/>	<hr/>
	<b>75,629,214</b>	<b>76,121,456</b>
	<hr/>	<hr/>

The prepaid rent regards the rent paid for Q1 2020 that will be released into the profit proportional to the amount of days lapsed.

The amount due to group company relates to the purchase price of the Building that is still payable to Jurys Inns UK Limited ("JIUK"), a group company that was the former owner of the Building.

The taxes consist of an amount of £516,650 corporate income tax and £187,875 for value added tax.



# Padox Birmingham Propco Limited

## Notes

<b>9 Creditors:</b> amounts falling due after more than one year	<b>31 Dec 2019</b> <b>£</b>	<b>31 Dec 2018</b> <b>£</b>
Finance lease liabilities	1,138,763	1,030,463

Finance lease liabilities are payable as follows:

	<b>Principal</b>	<b>Minimum lease payments</b>	<b>Total</b>
	<b>2018</b> <b>£</b>	<b>2018</b> <b>£</b>	<b>2018</b> <b>£</b>
Less than one year	98,905	(108,300)	-
Between one and five years	316,936	-	-
More than five years	722,922	-	-
	<u>1,138,763</u>	<u>(108,300)</u>	<u>1,030,463</u>

	<b>Principal</b>	<b>Minimum lease payments</b>	<b>Total</b>
	<b>2019</b> <b>£</b>	<b>2019</b> <b>£</b>	<b>2019</b> <b>£</b>
Less than one year	98,905	-	98,905
Between one and five years	316,936	-	316,936
More than five years	722,922	-	722,922
	<u>1,138,763</u>	<u>-</u>	<u>1,138,763</u>

<b>10 Provision</b>	<b>31 Dec 2019</b> <b>£</b>	<b>31 Dec 2018</b> <b>£</b>
Deferred tax	41,789	12,595

# Padox Birmingham Propco Limited

## Notes

### 11 Capital and reserves

#### Share capital

	For the year 2019 £	For the period 16 Jan 2018 to 31 Dec 2018 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>Issued and fully paid</b>		
At 1 January, 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>At 31 December, 100 ordinary shares of £1 each</b>	<b>100</b>	<b>100</b>
	<hr/>	<hr/>

The Company has one class of ordinary shares which carry no right to fixed income.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 12 Group relationship and controlling parties

The Company's immediate parent is Padox Holdco B.V.

The Company is an indirect wholly owned subsidiary of Padox AB. The Padox AB consolidated financial statements, which include the results of the Company, are available from Vasagatan 11, 9<sup>th</sup> floor, 101 20, Stockholm, Sweden.

### 13 Related parties

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

There were no other related party transactions.

### 14 Subsequent events

The existence of the novel Coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and economic activity. The Company considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company. However, the coronavirus could impact the investments and loans outstanding of the Company.

The Company owns investment property in Europe and could be affected by decreasing values of the investment property and pressure on rental income due to bankruptcies by tenants or requested extensions and/or rent deductions requested by tenants. Hence, for the Company this could result in an impairment of the investments and loans outstanding of the Company and it might result in lower dividend streams upwards from the Company.

# Padox Birmingham Propco Limited

## Notes

### **14 Subsequent events (continued)**

The Company itself has sufficient liquidity to be able to pay its own expenses, which are limited to some general expenses the Company needs to make. The Company tries to limit the expenses as much as possible. In addition, the Company has not provided any guarantees.

As a result, whilst uncertain, the directors do not believe, however, that the impact of the Covid-19 virus would have a material adverse effect on the financial condition or liquidity of the Company.

### **15 Approval of financial statements**

The financial statements were approved by the directors on 2020.