

CITY ROAD (LEXICON) LIMITED

Report and Financial Statements

Year ended 31 December 2019

Company number: FC031205

UK Establishment number: BR016271

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CITY ROAD (LEXICON) LIMITED

Annual report and financial statements for the year ended 31 December 2019

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Directors

C K Hurley
M Reynolds
J Ferguson
E T Anderson

Secretary

Appleby Services (Bermuda) Ltd

Registered office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Company number

FC031205

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

CITY ROAD (LEXICON) LIMITED

Report of the directors for the year ended 31 December 2019

The directors present their report together with the financial statements for the year ended 31 December 2019.

Results and principal activity

The principal activity of the company in the year was that of a property developer. It is incorporated and registered in Bermuda under the name City Road Limited, registration number 30048. The company has registered as a UK establishment under the name City Road (Lexicon) Limited, company number FC031205. The company's turnover is generated by the development and sale of residential property within London.

The company made neither a profit nor loss in the year (2018: nil). No distributions (2018: nil) were paid during the year.

Directors

The following directors have held office since the beginning of the year:

C K Hurley
M Reynolds (appointed 1 April 2019)
E T Anderson
J Ferguson

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

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.

Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the next annual general meeting.

CITY ROAD (LEXICON) LIMITED

Report of the directors for the year ended 31 December 2019 (continued)

Going concern

The financial statements have been prepared on a going concern basis. The directors in considering the going concern basis of preparation have considered the impact of COVID-19 in respect of the business' forecast performance, and do not believe it to have had a significant long-term impact. Any impact has been mitigated as all residential homes in the development being undertaken by the company have now legally completed. In particular, the directors have considered the availability of funding from equity in line with the directors' business plan and have determined that the company continues to have forecast cashflows to meet its liabilities as they fall due.

By order of the Board



Director



Director

Date: 8 December 2020

CITY ROAD (LEXICON) LIMITED

Independent auditor's report to the members of City Road (Lexicon) Limited

Opinion

We have audited the financial statements of City Road (Lexicon) Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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 (The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice))

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Bermuda Companies Act 1981.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's 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.

CITY ROAD (LEXICON) LIMITED

Independent auditor's report to the members of City Road (Lexicon) Limited (continued)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP
Chartered Accountants
London, UK
United Kingdom

Date: 8 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CITY ROAD (LEXICON) LIMITED**Statement of Comprehensive Income for the year ended 31 December 2019**

	<i>Note</i>	2019 £'000	2018 £'000
Turnover	3	-	161
Cost of sales		-	(161)
Gross and operating profit	4	-	-
Profit on ordinary activities before taxation		-	-
Taxation on profit on ordinary activities	6	-	(5)
Profit / (loss) after taxation and total comprehensive income / expense for the year		-	(5)

All amounts relate to continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

CITY ROAD (LEXICON) LIMITED

Statement of Financial Position as at 31 December 2019
Company number FC031205

	<i>Note</i>	2019 £'000	2018 £'000
Current assets			
Debtors	8	387	407
		<u>387</u>	<u>407</u>
Creditors: amounts falling due within one year	9	(31)	(51)
		<u>(31)</u>	<u>(51)</u>
Net current assets		356	356
		<u>356</u>	<u>356</u>
Total assets less current liabilities		356	356
		<u>356</u>	<u>356</u>
Net assets		356	356
		<u>356</u>	<u>356</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium		13,500	13,500
Profit and loss account		(13,144)	(13,144)
		<u>13,500</u>	<u>13,500</u>
Shareholder's funds		356	356
		<u>356</u>	<u>356</u>

The notes on pages 8 to 11 form part of these financial statements.

These 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 8 December 2020



Director



Director

CITY ROAD (LEXICON) LIMITED

Statement of Changes in Equity for the year ended 31 December 2019 and 31 December 2018

	Share capital	Share premium	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2018	0	13,500	(13,139)	361
Comprehensive expense for the year				
Loss for the year	-	-	(5)	(5)
Total comprehensive expense for the year	-	-	(5)	(5)
At 31 December 2018	-	13,500	(13,144)	356
At 1 January 2019	-	13,500	(13,144)	356
Comprehensive income for the year				
Result for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2019	-	13,500	(13,144)	356

The notes on pages 8 to 11 form part of these financial statements.

1 Accounting policies

1.1 Basis of preparation of financial statements

The company is a Limited Company incorporated in Bermuda. The address of the company's registered office is given on the contents page and the nature of the company's operations and principal activities is set out in the Directors' report. The financial statements include the company's results for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling (£) which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial Reporting Standard 102 – Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Transactions.

1.3 Turnover

Turnover represents the value of unconditional unit sales, net of value added tax.

1.4 Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional cost to completion and disposal. Stock includes attributable interest, but excludes certain sales and marketing costs. At each reporting date, inventories are assessed for impairment. If stocks are impaired the carrying amount is reduced to its selling price less costs to complete and sell.

1.5 Debtors

Short term debtors are measured at the transaction price, less any impairment.

1.6 Creditors

Short term creditors are measured at the transaction price.

1.7 Financial instruments

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

1 Accounting policies (continued)

1.8 Tax

The tax expense for the year comprises current tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company operates and generates income.

1.9 Reserves

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Share premium account represents the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents the cumulative profits or losses, net of dividends paid and other adjustments.

1.10 Going concern

In determining the appropriate basis of preparation of the financial statements the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The directors have conducted a rigorous assessment of the company's ability to continue to operate for the foreseeable future.

The Board regularly reviews and updates the forecast performance of the company in conjunction with a detailed cash flow model. In making this assessment, consideration has been given to the inherent uncertainty in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to key factors affecting the expected financial performance and liquidity of the company. In particular, the directors have considered the availability of funding from equity in line with the directors' business plan and have determined that the company continues to have forecast cashflows to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

(a) Carrying value of land and work in progress and estimation of costs to complete

The company holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore due to the nature of the company's activity and, in particular the length of the development cycle, the company has to assess the risks and forecast the costs in future years to complete such developments.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The company has established internal controls designed to effectively assess and review inventory carrying values and ensure the appropriateness of the estimates made.

(b) Revenue recognition

Assumptions are made which complement external certifications to assess whether the building work for properties sold is physically complete and legal completion is highly probable and hence whether the company's revenue recognition criteria have been satisfied.

3 Turnover

Turnover was attributable to activities of property development. All turnover arose within the United Kingdom.

4 Gross and operating profit

The audit fee has been borne by the parent company in both the current and preceding year.

CITY ROAD (LEXICON) LIMITED**Notes to the financial statements for the year ended 31 December 2019 (continued)****5 Employee information**

The company had no employees and no directors' emoluments were paid in either the current or preceding year.

6 Tax on profit on ordinary activities

	2019 £'000	2018 £'000
<i>UK corporation tax</i>		
Current tax charge for the year	-	5
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	5
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year was £nil (2018: the same as the standard rate of corporation tax in the UK of 19%)

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
Tax on expenses not deductible for tax purposes	-	5
	<hr/>	<hr/>
Total tax charge for the year	-	5

7 Stock

	2019 £'000	2018 £'000
Work in progress	-	-
	<hr/>	<hr/>

Work in progress includes £nil (2018: £nil) of capitalised interest of which £nil (2018: £nil) was capitalised in the year and £nil (2018: £nil) was charged to statement of comprehensive income as part of cost of sales.

Work in progress recognised in cost of sales during the year as an expense was £nil (2018: £161,000).

8 Debtors

	2019 £'000	2018 £'000
Amounts owed from parent company	387	407
Amounts owed from affiliates of parent company	-	-
	<hr/>	<hr/>
	387	407
	<hr/>	<hr/>

All amounts are due for repayment within one year.

CITY ROAD (LEXICON) LIMITED**Notes to the financial statements for the year ended 31 December 2019 (continued)****9 Creditors: amounts falling due within one year**

	2019 £'000	2018 £'000
Corporation tax	2	5
Accruals and deferred income	29	46
	<hr/>	<hr/>
	31	51

10 Financial Instruments

All financial assets and financial liabilities are measured at the amortised cost.

Financial assets measured at amortised cost comprise amounts owed from parent companies.

Financial liabilities measured at amortised cost comprise accruals.

11 Share capital

	2019 £'000	2018 £'000
<i>Authorised, Allotted, called up and fully paid</i>		
1 Ordinary share (2018: 1 Ordinary shares) of £1 each	<hr/>	<hr/>

12 Post balance sheet events

On 11 March 2020, the World Health Organisation declared the coronavirus (COVID-19) a global pandemic. There are no comparable recent events which may provide guidance as to the effects of the pandemic and the ultimate impact of COVID-19 is uncertain. Given the emergence and spread of COVID-19 occurred in 2020 it is not considered relevant to conditions that existed at the balance sheet date, consequently COVID-19 is considered to be a non-adjusting post balance sheet event and as such has not impacted the measurement of assets and liabilities in these financial statements.

13 Ultimate parent company

At 31 December 2019 and 31 December 2018, the company's immediate and ultimate parent company was 261 City Road Developments LLP. At 31 December 2019 and 31 December 2018, the company's ultimate controlling parties were the members of 261 City Road Developments LLP. There is no ultimate controlling party.

Copies of the consolidated financial statements of 261 City Road Developments LLP are available from 140 Aldersgate Street, London, EC1A 4HY.