

LYNWOOD RETAIL UK LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

LYNWOOD RETAIL UK LIMITED

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LYNWOOD RETAIL UK LIMITED
REGISTERED NUMBER:07673642

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	4	29,002,631	28,494,195
Current assets			
Debtors due after more than 1 year	5	-	21,773,752
Debtors: amounts falling due within one year	5	31,218,144	437,204
Cash at bank and in hand		5,822	27,164
		<u>31,223,966</u>	<u>22,238,120</u>
Current liabilities			
Creditors: amounts falling due within one year	6	(31,314,122)	(469,413)
Net current (liabilities)/assets		<u>(90,156)</u>	<u>21,768,707</u>
Total assets less current liabilities		<u>28,912,475</u>	<u>50,262,902</u>
Creditors: amounts falling due after more than one year	7	-	(22,000,000)
Net assets		<u><u>28,912,475</u></u>	<u><u>28,262,902</u></u>
Capital and reserves			
Called up share capital	8	15,188,147	15,108,000
Share premium account		12,042,933	11,614,644
Profit and loss account		1,681,395	1,540,258
		<u><u>28,912,475</u></u>	<u><u>28,262,902</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 April 2021.

M Groenberg
Director

The notes on pages 2 to 6 form part of these financial statements.

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Lynwood Retail (UK) Limited is a limited liability company incorporated in England and Wales, with its registered office and business address at 4 Hill Street, London, W1J 5NE.

The principal activity of the Company during the period was that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the impact of the Covid-19 pandemic on the trade of the Company's principal investment and are satisfied that the adverse impact on retail trading can be adequately mitigated by online activities. The group have agreed rent abatements across several stores due to Covid-19 at a total benefit of £8.5 million which will result in a short term increase in cashflows and profits. The directors are satisfied that the Company has adequate resources available to meet all of its liabilities as they fall due for at least twelve months from the date of their approval of the financial statements. Accordingly the directors have continued to adopt the going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is £ Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Taxation

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.8 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Financial instruments

Basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

4. Fixed asset investments

	Other fixed asset investments £
Cost	
At 1 January 2020	28,494,195
Additions	508,436
	<u>29,002,631</u>
At 31 December 2020	

5. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by group undertakings	<u>-</u>	<u>21,773,752</u>
Due within one year		
Amounts owed by group undertakings	<u>31,218,144</u>	<u>437,204</u>

LYNWOOD RETAIL UK LIMITED

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6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	3,482	348
Trade creditors	-	14,700
Amounts owed to group undertakings	31,300,440	444,165
Accruals	10,200	10,200
	<u>31,314,122</u>	<u>469,413</u>

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

	2020 £	2019 £
Other creditors	<u>-</u>	<u>22,000,000</u>

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
15,188,147 (2019 - 15,108,000) Ordinary shares of £1.00 each	<u>15,188,147</u>	<u>15,108,000</u>

During the year 80,147 Ordinary shares of £1 each were allotted and fully paid for a total consideration of £508,436.

9. Related party transactions

The Company has taken advantage of the exemption under FRS102 Section 33.1A Related Party Disclosures not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

10. Controlling party

The immediate parent undertaking of the Company is Lynwood Investments CY Limited, a company registered in Cyprus and the ultimate parent company is Alpha Global (PTC) Limited, a company registered in the British Virgin Islands. The ultimate controlling parties of the Company are Alpha Global (PTC) Limited (acting in its capacity as a trustee of the Alpha Trust), Nicolai Mamut (who is currently the sole beneficiary of that trust) and Marina Groenburg who has the right to exercise significant influence over the activities of that trust.

LYNWOOD RETAIL UK LIMITED

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

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 30 April 2021 by Stephen Iseman FCA (Senior Statutory Auditor) on behalf of Sopher + Co LLP.

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.