

# Cumbrae Properties (1963) Limited

Unaudited Financial Statements

For the year ended 31 December 2021

For Filing with Registrar

Company Registration No. 00752917 (England and Wales)

# Cumbræ Properties (1963) Limited

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# Cumbræ Properties (1963) Limited

## Balance Sheet

As at 31 December 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		44,970		70,432
Investment properties	5		67,044,235		66,855,818
			<u>67,089,205</u>		<u>66,926,250</u>
<b>Current assets</b>					
Debtors	6	1,140,404		979,868	
Cash at bank and in hand		5,767,210		3,218,381	
		<u>6,907,614</u>		<u>4,198,249</u>	
<b>Creditors: amounts falling due within one year</b>	7	(31,889,978)		(6,504,324)	
<b>Net current liabilities</b>			<u>(24,982,364)</u>		<u>(2,306,075)</u>
<b>Total assets less current liabilities</b>			42,106,841		64,620,175
<b>Creditors: amounts falling due after more than one year</b>	8		-		(22,600,000)
<b>Provisions for liabilities</b>	9		(3,016,959)		(2,297,727)
<b>Net assets</b>			<u>39,089,882</u>		<u>39,722,448</u>
<b>Capital and reserves</b>					
Called up share capital	10		24,752		24,752
Share premium account			2,305,991		2,305,991
Revaluation reserve	11		9,017,150		9,738,522
Capital redemption reserve			6,681		6,681
Profit and loss reserves			27,735,308		27,646,502
<b>Total equity</b>			<u>39,089,882</u>		<u>39,722,448</u>

# Cumbræ Properties (1963) Limited

## Balance Sheet (Continued)

As at 31 December 2021

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered 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 27 September 2022 and are signed on its behalf by:

Mr S H Jenkins  
**Director**

**Company Registration No. 00752917**

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements

For the year ended 31 December 2021

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### 1 Accounting policies

#### Company information

Cumbræ Properties (1963) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 146-148 Clerkenwell Road, 2nd Floor, London, United Kingdom, EC1R 5DG.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
Property alterations	10% straight line
Works of art	No depreciation charged

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# Cumrae Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# Cumrae Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Investment Properties

The revaluation of investment properties has had the most significant effect on the financial statements.

The company holds its investment properties at fair value. In order to arrive at this value, the company considers various factors including, the reports prepared by independent valuation experts, the location and condition of the properties, the occupancy rates, an appraisal of the current market environment and recent market transactions involving similar assets.

The estimates and underlying assumptions are reviewed on an ongoing basis.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	3	3
	==	==

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 4 Tangible fixed assets

	Plant and equipment £	Property alterations £	Works of art £	Total £
<b>Cost</b>				
At 1 January 2021	156,146	28,025	29,229	213,400
Additions	307	-	-	307
Disposals	(75,747)	-	-	(75,747)
At 31 December 2021	80,706	28,025	29,229	137,960
<b>Depreciation and impairment</b>				
At 1 January 2021	114,943	28,025	-	142,968
Depreciation charged in the year	8,183	-	-	8,183
Eliminated in respect of disposals	(58,161)	-	-	(58,161)
At 31 December 2021	64,965	28,025	-	92,990
<b>Carrying amount</b>				
At 31 December 2021	15,741	-	29,229	44,970
At 31 December 2020	41,203	-	29,229	70,432

### 5 Investment property

	2021 £
<b>Fair value</b>	
At 1 January 2021	66,855,818
Additions	188,417
At 31 December 2021	67,044,235

The directors have reviewed the valuation of the investment properties. In valuing the properties the directors had due regard to reports prepared by qualified surveyors and general market trends. Account is also taken of factors specific to individual properties.

### 6 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	509,814	571,525
Other debtors	555,301	342,313
Prepayments and accrued income	75,289	66,030
	1,140,404	979,868

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 7 Creditors: amounts falling due within one year

	2021 £	2020 £
Other borrowings	25,000,000	-
Trade creditors	143,875	79,524
Corporation tax	224,657	54,704
Other taxation and social security	83,260	57,414
Other creditors	5,562,700	5,484,372
Accruals and deferred income	875,486	828,310
	<u>31,889,978</u>	<u>6,504,324</u>

### 8 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	-	22,600,000
	<u>-</u>	<u>22,600,000</u>

The long-term bank loans bear interest at market linked rates. Security is held over a number of properties together with a floating charge over assets of the company.

### 9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	11,242	13,382
Revaluations	3,005,717	2,284,345
	<u>3,016,959</u>	<u>2,297,727</u>
<b>Movements in the year:</b>		2021 £
Liability at 1 January 2021		2,297,727
Charge to profit or loss		719,232
Liability at 31 December 2021		<u>3,016,959</u>

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	24,752	24,752	24,752	24,752
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 11 Revaluation reserve

	2021 £	2020 £
At beginning of year	9,738,522	3,800,296
Revaluation surplus arising in the year	-	8,222,571
Deferred tax on revaluation of investment properties	(721,372)	(2,284,345)
At end of year	<u>9,017,150</u>	<u>9,738,522</u>

### 12 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	<u>39,891</u>	<u>135,628</u>

#### Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
	<u>7,535,520</u>	<u>9,857,487</u>

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 13 Related party transactions

The company rents premises to Bute Fabrics Limited, a company controlled by certain shareholders. The rental due for the year ended 31 December 2021 was £20,000 (2020: £20,000). At the year end Bute Fabrics Limited owed the company £169,479 (2020: £163,479) which is included in other debtors.

The company rents offices from Tallwood Limited, a company controlled by a shareholder, during the year to 31 December 2021 £114,484 (2020: £132,378) was paid in respect of rents and service charges for the year.

During the year the company entered into transactions with key management £50,000 (2020: £56,940) for the provision of professional services.

A connected company has advanced funds to the company. This loan bears interest at a commercial rates and are unsecured. The balance outstanding on the loans at 31 December 2021 was £25,000,000 (2020: £nil).

The directors, shareholders and family members have advanced funds to the company. These loans bear interest at a commercial rates and are unsecured. The balance outstanding on the loans at 31 December 2021 was £4,685,584 (2020: £4,714,584).

### 14 Prior period adjustment

#### Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Dec 2020
	£	£	£
<b>Fixed assets</b>			
Tangible assets	327,531	(257,099)	70,432
Investment properties	66,522,187	333,631	66,855,818
<b>Provisions for liabilities</b>			
Deferred tax	(199,500)	(2,098,227)	(2,297,727)
Net assets	41,744,143	(2,021,695)	39,722,448
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Revaluation reserve	3,800,296	5,938,226	9,738,522
Profit and loss reserves	35,606,423	(7,959,921)	27,646,502
Total equity	41,744,143	(2,021,695)	39,722,448
	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the profit and loss account

	As previously reported	Adjustment	As restated
	£	£	£
<b>Period ended 31 December 2020</b>			
Administrative expenses	(495,854)	15,970	(479,884)
Profit for the financial period	1,540,230	15,970	1,556,200
	<u>          </u>	<u>          </u>	<u>          </u>

# Cumbræ Properties (1963) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 14 Prior period adjustment

(Continued)

#### Reconciliation of changes in equity

		1 January 2020	31 December 2020
	Notes	£	£
<b>Adjustments to prior year</b>			
Property alterations	1	-	76,532
Deferred tax	2	-	(2,297,727)
Total adjustments		-	(2,221,195)
Equity as previously reported		40,703,917	41,744,143
Equity as adjusted		40,703,917	39,522,948
<b>Warning! Does not agree to adjusted equity reported:</b>		40,703,917	39,722,448
<b>Analysis of the effect upon equity</b>			
Revaluation reserve		-	5,938,226
Profit and loss reserves		-	(7,959,921)
		-	(2,021,695)

#### Reconciliation of changes in profit for the previous financial period

		2020 £
	Notes	
<b>Adjustments to prior year</b>		
Property alterations	1	15,970
Deferred tax	2	-
Profit as previously reported		1,540,230
Profit as adjusted		1,556,200

#### Notes to reconciliation

##### Property alterations

The prior year adjustment represents property alterations previously included in tangible fixed assets re-presented in investment properties as they relate to alterations completed on the investment properties.

##### Deferred tax

The prior year adjustment represents a deferred tax liability not previously recognised.

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.