

Cumbræ Properties (1963) Limited

Unaudited Financial Statements

For the year ended 31 December 2022

Pages 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 2022

| | | 2022 | 2021 |
|---|-------|--------------------------|--------------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 3 | 197,600 | 44,970 |
| Investment properties | 4 | 46,200,000 | 67,044,235 |
| | | <u>46,397,600</u> | <u>67,089,205</u> |
| Current assets | | | |
| Debtors | 5 | 1,126,583 | 1,140,404 |
| Cash at bank and in hand | | 4,734,432 | 5,767,210 |
| | | <u>5,861,015</u> | <u>6,907,614</u> |
| Creditors: amounts falling due within one year | 6 | <u>(31,586,958)</u> | <u>(31,889,978)</u> |
| Net current liabilities | | <u>(25,725,943)</u> | <u>(24,982,364)</u> |
| Total assets less current liabilities | | <u>20,671,657</u> | <u>42,106,841</u> |
| Provisions for liabilities | 7 | <u>(4,058)</u> | <u>(3,016,959)</u> |
| Net assets | | <u><u>20,667,599</u></u> | <u><u>39,089,882</u></u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 24,752 | 24,752 |
| Share premium account | | 2,305,991 | 2,305,991 |
| Revaluation reserve | 9 | 2,407,393 | 9,017,150 |
| Capital redemption reserve | | 6,681 | 6,681 |
| Profit and loss reserves | | 15,922,782 | 27,735,308 |
| Total equity | | <u><u>20,667,599</u></u> | <u><u>39,089,882</u></u> |

Cumbræ Properties (1963) Limited

Balance Sheet (Continued)

As at 31 December 2022

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 2022 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 2023 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 2022

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:

| | |
|------------------------|-------------------------|
| Leasehold improvements | Lease term |
| 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.

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

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 2022

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 2022

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.

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Employees

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

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | 3 | 3 |

3 Tangible fixed assets

| | Leasehold improvements | Plant and equipment | Property alterations | Works of art | Total |
|------------------------------------|---------------------------|------------------------|-------------------------|--------------|----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 January 2022 | - | 80,706 | 28,025 | 29,229 | 137,960 |
| Additions | 157,898 | 3,825 | - | - | 161,723 |
| Disposals | - | (515) | (28,025) | - | (28,540) |
| At 31 December 2022 | 157,898 | 84,016 | - | 29,229 | 271,143 |
| Depreciation and impairment | | | | | |
| At 1 January 2022 | - | 64,965 | 28,025 | - | 92,990 |
| Depreciation charged in the year | 5,848 | 3,245 | - | - | 9,093 |
| Eliminated in respect of disposals | - | (515) | (28,025) | - | (28,540) |
| At 31 December 2022 | 5,848 | 67,695 | - | - | 73,543 |
| Carrying amount | | | | | |
| At 31 December 2022 | 152,050 | 16,321 | - | 29,229 | 197,600 |
| At 31 December 2021 | - | 15,741 | - | 29,229 | 44,970 |

4 Investment property

| | 2022 £ |
|---------------------|--------------|
| Fair value | |
| At 1 January 2022 | 67,044,235 |
| Additions | 431,006 |
| Revaluations | (21,275,241) |
| At 31 December 2022 | 46,200,000 |

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

4 Investment property

(Continued)

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.

5 Debtors

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 543,372 | 509,814 |
| Other debtors | 494,838 | 555,301 |
| Prepayments and accrued income | 88,373 | 75,289 |
| | <u>1,126,583</u> | <u>1,140,404</u> |

6 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Other borrowings | 25,000,000 | 25,000,000 |
| Trade creditors | 80,424 | 143,875 |
| Corporation tax | 130,913 | 224,657 |
| Other taxation and social security | 59,247 | 83,260 |
| Other creditors | 5,833,907 | 5,562,700 |
| Accruals and deferred income | 482,467 | 875,486 |
| | <u>31,586,958</u> | <u>31,889,978</u> |

7 Deferred taxation

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

| | Liabilities 2022 | Liabilities 2021 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 4,058 | 11,242 |
| Revaluations | - | 3,005,717 |
| | <u>4,058</u> | <u>3,016,959</u> |

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

7 Deferred taxation (Continued)

| | 2022 £ |
|--------------------------------------|-------------|
| Movements in the year: | |
| Liability at 1 January 2022 | 3,016,959 |
| Credit to profit or loss | (7,184) |
| Credit to other comprehensive income | (3,005,717) |
| | <hr/> |
| Liability at 31 December 2022 | 4,058 |
| | <hr/> |

8 Called up share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|-------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 24,752 | 24,752 | 24,752 | 24,752 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

9 Revaluation reserve

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| At beginning of year | 9,017,150 | 9,738,522 |
| Deferred tax on revaluation of investment properties | 3,005,717 | (721,372) |
| Transfer to profit and loss reserve on revaluation of investment property | (9,615,474) | - |
| At end of year | <u>2,407,393</u> | <u>9,017,150</u> |

10 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:

| 2022 £ | 2021 £ |
|----------------|---------------|
| <u>321,300</u> | <u>39,891</u> |

Lessor

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

| 2022 £ | 2021 £ |
|------------------|------------------|
| <u>9,533,679</u> | <u>7,535,520</u> |

Cumbræ Properties (1963) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

11 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 2022 was £20,000 (2021: £20,000). At the year end Bute Fabrics Limited owed the company £169,479 (2021: £169,479) 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 2022 £68,803 (2021: £114,484) was paid in respect of rents and service charges for the year.

During the year the company entered into transactions with key management and paid £50,000 (2021: £50,000) for the provision of professional services.

A connected company, Tallwood Investments Limited, has advanced funds to the company. This loan bears interest at a commercial rates and are unsecured. Interest of £498,863 (2021:£29,459) was charged on the loan during the year. The balance outstanding on the loan at 31 December 2022 was £25,000,000 (2021: £25,000,000).

The directors, shareholders and family members have advanced funds to the company. These loans bear interest at a commercial rates and are unsecured. Interest of £155,454 (2021:£140,991) was charged on the loan during the year. The balance outstanding on the loans at 31 December 2022 was £4,685,706 (2021: £4,685,584).

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.