

**Company Registration No. 07688750 (England and Wales)**

**AVIGNON CAPITAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# AVIGNON CAPITAL LIMITED

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# AVIGNON CAPITAL LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The director presents his annual report and financial statements for the year ended 31 December 2019.

#### Principal activities

The principal activity of the company was that of commercial property management, investment and advisory services.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Mounier

(Resigned 1 February 2019)

P Flaton

#### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid (2018: £Nil). The director does not recommend payment of a final dividend.

#### Auditor

PricewaterhouseCoopers LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director individually has taken all the necessary steps he they ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Going concern

Having reviewed the company's financial forecasts and expected future cash flows (see note 1.2), the director has reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2019.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

P Flaton

**Director**

11 December 2020

# AVIGNON CAPITAL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	5		110,422		113,769
<b>Current assets</b>					
Debtors	6	1,443,210		1,144,656	
Cash at bank and in hand		142,695		151,818	
		<u>1,585,905</u>		<u>1,296,474</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,245,491)</u>		<u>(1,684,990)</u>	
<b>Net current assets/(liabilities)</b>			340,414		(388,516)
<b>Total assets less current liabilities</b>			<u>450,836</u>		<u>(274,747)</u>
<b>Capital and reserves</b>					
Called up share capital	9		3,030		3,030
Share premium account			27,772		27,772
Capital redemption reserve			77		77
Profit and loss account			419,957		(305,626)
<b>Total equity</b>			<u>450,836</u>		<u>(274,747)</u>

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

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 on pages 6 to 18 were approved by the director and authorised for issue on 11 December 2020 and are signed on its behalf by:

P Flaton  
**Director**

**Company Registration No. 07688750**

# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

All accounting policies have been applied consistently.

#### **Company information**

Avignon Capital Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

### **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.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Avignon Holdings Limited. These consolidated financial statements are available from its registered office, Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR.

### **1.2 Going concern**

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

Having reviewed the company's financial forecasts and expected future cash flows, the director has reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. This assessment is based on post year end results as well as the continued support of the immediate parent undertaking. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2019.

# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised when services have been performed in line with conditions set out in the relevant contract.

Revenue is measured at the fair value of the consideration received or receivable. This represents services provided in the normal course of business, exclusive of Value Added Tax, trade discounts and other sales related taxes.

Revenue is accrued when it is earned from providing a service but has yet to be billed. The recognition of such income is based on an entitlement to the income for services already performed.

#### 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	5 years Straight Line
Fixtures, fittings & equipment	15% Reducing Balance
Computer equipment	15% Reducing Balance

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.

#### 1.5 Cash at bank and in hand

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.

#### 1.6 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and accrued income, amounts due from fellow group companies 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.

# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **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 trade and other creditors and loans from fellow group companies 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.

### 1.7 Equity instruments

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.8 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.

#### **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.

# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

There have been no judgements, estimates and assumptions made as this has not been deemed necessary.

### 3 Operating profit/(loss)

	2019	2018
Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(7,233)	12,291
Depreciation of owned tangible fixed assets	24,260	22,135
	<u>          </u>	<u>          </u>

### 4 Employees

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

2019	2018
Number	Number
12	9
<u>          </u>	<u>          </u>



# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	60,730	103,366	9,074	173,170
Additions	-	6,558	14,355	20,913
At 31 December 2019	60,730	109,924	23,429	194,083
<b>Depreciation and impairment</b>				
At 1 January 2019	10,883	43,299	5,219	59,401
Depreciation charged in the year	12,146	9,809	2,305	24,260
At 31 December 2019	23,029	53,108	7,524	83,661
<b>Carrying amount</b>				
At 31 December 2019	37,701	56,816	15,905	110,422
At 31 December 2018	49,847	60,067	3,855	113,769

### 6 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	286,890	539,992
Corporation tax recoverable	52,999	59,753
Amounts owed by group undertakings	447,762	21,806
Other debtors	343,094	220,656
Prepayments and accrued income	300,606	290,590
	1,431,351	1,132,797
Deferred tax asset (note 8)	11,859	11,859
	1,443,210	1,144,656

Amounts owed by group undertakings are repayable on demand and interest free.

# AVIGNON CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019 £	2018 £
Trade creditors	570,749	36,388
Amounts owed to group undertakings	101,514	1,238,862
Corporation tax	146,711	38,724
Other taxation and social security	48,795	90,792
Other creditors	12,331	21,158
Accruals and deferred income	365,391	259,066
	<u>1,245,491</u>	<u>1,684,990</u>

Amounts owed to group undertakings are repayable on demand and interest free.

### 8 Deferred taxation

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

	Assets 2019 £	Assets 2018 £
<b>Balances:</b>		
Tax losses	<u>11,859</u>	<u>11,859</u>

There were no deferred tax movements in the year.

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

### 9 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,000 Ordinary "A" shares of £1 each	3,000	3,000
30 Ordinary "B" shares of £1 each	30	30
	<u>3,030</u>	<u>3,030</u>

## AVIGNON CAPITAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The auditor was PricewaterhouseCoopers LLP.

#### 11 Operating lease commitments

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

	2019 £	2018 £
Within one year	87,459	112,118
Between two and five years	132,465	336,353
	<u>219,924</u>	<u>448,471</u>

#### 12 Related party transactions

The company has taken advantage of the exemption available under FRS 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that all transactions were undertaken with wholly owned companies within the group.

#### 13 Ultimate controlling party

The immediate parent company is Avignon Group Holdings Limited, a company registered in England & Wales.

The ultimate parent company is CITIC Securities Co, Ltd, a company registered in Hong Kong and listed on the Shanghai and Hong Kong stock exchange.

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.