

CCO Cygnet Limited

Filleted Financial Statements
for the Year Ended 31 January 2023

CCO Cygnet Limited

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CCO Cygnet Limited
(Registration number: 08258866)
Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Investment property	<u>4</u>	16,736,956	16,735,956
Current assets			
Debtors	<u>5</u>	192,263	140,042
Cash at bank and in hand		676,613	229,979
		868,876	370,021
Creditors: Amounts falling due within one year	<u>6</u>	(16,876,858)	(9,834,685)
Net current liabilities		(16,007,982)	(9,464,664)
Total assets less current liabilities		728,974	7,271,292
Creditors: Amounts falling due after more than one year	<u>6</u>	(4,505,000)	(11,708,257)
Net liabilities		(3,776,026)	(4,436,965)
Capital and reserves			
Called up share capital		100,000	100,000
Non-distributable reserves		470,791	470,791
Profit and loss account		(4,346,817)	(5,007,756)
Shareholders' deficit		(3,776,026)	(4,436,965)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 27 October 2023 and signed on its behalf by:

.....
A P Bradshaw
Company secretary and director

Notes to the Financial Statements for the Year Ended 31 January 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

First Floor
23 Beaumont Mews
London
W1G 6EN
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest pound.

Going concern

The financial statements have been prepared on a going concern basis which assumes the continued support of various group companies. These companies have provided confirmation of their intention to provide such financial support as is necessary for the Company to continue in operation for at least 12 months from the date of signing the financial statements. In addition, within current liabilities are £7,003,257 of loan notes which have been renegotiated post year end.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 30 October 2023 was Dean Blunden BFP FCA, who signed for and on behalf of UHY Ross Brooke.

Judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Financial instruments

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Impairment of group undertakings

Determining whether amounts owed by related undertakings to the group and by group undertakings to the parent company requires judgement to be made by the Directors in respect of the recoverability of those amounts. An assessment is made by the Company of the ability of these undertakings to repay the amounts due and a provision is made where appropriate. The carrying amount of these debtors is disclosed in note 5.

Notes to the Financial Statements for the Year Ended 31 January 2023

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values..

Revenue recognition

Turnover represents rental income and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements for the Year Ended 31 January 2023

Tax

The tax expense for the year comprises current and deferred tax. Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settle or recovered.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Notes to the Financial Statements for the Year Ended 31 January 2023

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Rentals income from operating leases is credited to the Statement of Income and Retained Earnings on a straight line basis over the term of the relevant lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Notes to the Financial Statements for the Year Ended 31 January 2023

Financial instruments

Classification

The Company only enters into 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 non-puttable ordinary shares.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair values, unless the arrangement constitutes a financing transaction. A financing transaction may arise where payment is deferred beyond normal business terms or financed at a rate of interest that is not a market rate. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when

- (a) the contractual rights to the cash flows from the financial asset expire or are settled,
- (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or
- (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2022 - 3).

CCO Cygnet Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

4 Investment properties

	2023 £
At 1 February	16,735,956
Additions	<u>1,000</u>
At 31 January	<u><u>16,736,956</u></u>

There has been no valuation of investment property by an independent valuer. The valuation has been made by the directors at the year end based on predicted rental yields.

5 Debtors

	Note	2023 £	2022 £
Current			
Amounts owed by group undertakings	<u>8</u>	25,000	-
Other debtors		<u>167,263</u>	<u>140,042</u>
		<u><u>192,263</u></u>	<u><u>140,042</u></u>

CCO Cygnet Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

6 Creditors

Creditors: amounts falling due within one year

	2023 £	2022 £
Due within one year		
Loans and borrowings	195,000	175,000
Trade creditors	48,594	55,572
Amounts owed to group undertakings	16,560,979	9,557,722
Taxation and social security	42,151	14,853
Other creditors	30,134	31,538
	<u>16,876,858</u>	<u>9,834,685</u>

Creditors: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	7	4,505,000	4,705,000
Amounts owed to group undertakings		-	7,003,257
		<u>4,505,000</u>	<u>11,708,257</u>

7 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	<u>195,000</u>	<u>175,000</u>

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	<u>4,505,000</u>	<u>4,705,000</u>

Bank borrowings

The bank borrowings of £4,700,000 (2022: £4,880,000) are secured by a first legal charge over the Company's land and buildings, a fixed and floating charge over all assets of both the company and its fellow subsidiary company, Rare Bird Hotels Limited, together with a cross guarantee between the two companies.

CCO Cygnet Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

8 Related party transactions

Summary of transactions with parent

CCO Trading Limited

The Company's immediate and ultimate parent undertaking is CCO Trading Limited. H E M Osmond and A P Bradshaw are both directors of CCO Trading.

Included within creditors are loan notes issued to CCO Trading Limited. The year end liability including interest accrued at 5% per annum is £7,003,257 (2022: £7,003,257).

Interest charged in the year was £nil (2022: £nil). Interest was waived for the current and previous period.

Within creditors falling due within one year is an additional loan payable to CCO Trading Limited of £933,823 (2022: £933,823). This loan is unsecured and is repayable on demand. Interest on this loan usually accrues at the rate of 6% per annum but was waived for the current and previous period. Consequently, interest charged on the loan during the year was £nil (2022: £nil).

Summary of transactions with entities with joint control or significant interest

Rare Bird Hotels Limited

The directors of CCO Cygnet Limited are also all directors of Rare Bird Hotels Limited. Both companies are subsidiaries of the same group and are ultimately controlled by H E M Osmond.

At the year end there was a loan from Rare Bird Hotels of £2,173,416 (2022 : £2,173,416). No interest is due on this unsecured loan and it is repayable on demand.

Devonshire Place Holdings Limited

H E M Osmond and A P Bradshaw are directors of both CCO Cygnet Limited and Devonshire Place Holdings Limited.

Included within creditors falling due within one year is a loan payable to Devonshire Place Holdings Limited of £6,450,483 (2022: £6,450,483). This loan is unsecured and is repayable on demand. Interest usually accrues at 6% per annum but was waived for the current and previous year. Consequently, interest charged on this loan was £nil (2022: £nil).

9 Parent and ultimate parent undertaking

The ultimate parent is CCO Trading Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is CCO Trading Limited. These financial statements are available upon request from 23 Beaumont Mews, London, W1G 6EN.

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.