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Company Registration No. 9200085 (England and Wales)

**CYGNET STREET DEVELOPMENTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

TUESDAY



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# **CYGNET STREET DEVELOPMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S S Conway D E Conway
<b>Secretary</b>	A W Porter
<b>Company number</b>	9200085
<b>Registered office</b>	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
<b>Auditors</b>	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
<b>Business address</b>	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS

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# **CYGNET STREET DEVELOPMENTS LIMITED**

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# **CYGNET STREET DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their annual report and financial statements for the year ended 31 March 2016.

### **Principal activities**

The principal activity of the company continued to be that of property development.

### **Directors**

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

S S Conway

D E Conway

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

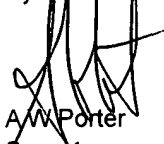
### **Statement of disclosure to auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

By order of the board



A.W. Porter

Secretary

15 December 2016

# **CYGNET STREET DEVELOPMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CYGNET STREET DEVELOPMENTS LIMITED**

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We have audited the financial statements of Cygnet Street Developments Limited for the year ended 31 March 2016 which comprise the Statement of Total Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of director's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the continuing support of its bankers. The company's current loan facility of £7,591,765 is due to expire on 03 March 2017. The directors expect to be able to repay the facility in full by January 2017 from the proceeds of the sale of the properties within the company. However there is no guarantee that these sales will be realised before the loan is due for repayment. Should it be required, the directors expect to be able to renew the facilities on similar terms; however they have no binding agreement from the banks involved. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

# **CYGNET STREET DEVELOPMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CYGNET STREET DEVELOPMENTS LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

*BDO LLP*

**Thomas Edward Goodworth (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP**

15 December 2016

**Statutory Auditor**

55 Baker Street  
London  
United Kingdom  
W1U 7EU

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# CYGNET STREET DEVELOPMENTS LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		31 March 2016 £	Period from 2 September 2014 to 31 March 2015 £
Cost of sales	Notes	(86,722)	(147,908)
Administrative expenses		(650)	(64,495)
Other operating income		3,661	-
<b>Operating loss</b>	<b>2</b>	<b>(83,711)</b>	<b>(212,403)</b>
Finance costs	<b>3</b>	<b>(3,353,156)</b>	<b>(16,947)</b>
<b>Loss before taxation</b>		<b>(3,436,867)</b>	<b>(229,350)</b>
Taxation		-	-
<b>Loss for the financial year</b>		<b>(3,436,867)</b>	<b>(229,350)</b>
<b>Total comprehensive income for the year</b>		<b>(3,436,867)</b>	<b>(229,350)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 7 to 10 form part of these financial statements.

# CYGNET STREET DEVELOPMENTS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Current assets</b>					
Inventories		15,035,983		8,526,854	
Trade and other receivables	4	881,921		1	
		<u>15,917,904</u>		<u>8,526,855</u>	
<b>Current liabilities</b>	5	(19,584,120)		(5,353,042)	
Net current (liabilities)/assets			(3,666,216)		3,173,813
<b>Non-current liabilities</b>	6		-		(3,403,162)
<b>Net liabilities</b>			<u>(3,666,216)</u>		<u>(229,349)</u>
<b>Equity</b>					
Called up share capital	7		1		1
Retained earnings			(3,666,217)		(229,350)
<b>Total equity</b>			<u>(3,666,216)</u>		<u>(229,349)</u>

These financial statements have been prepared 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 15 December 2016 and are signed on its behalf by:

  
S S Conway  
Director

Company Registration No. 9200085

The notes on pages 7 to 10 form part of these financial statements.



# CYGNET STREET DEVELOPMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

		Share capital £	Retained earnings £	Total £
<b>Balance at 2 September 2014</b>		-	-	-
<b>Year ended 31 March 2015:</b>				
Loss and total comprehensive income for the year		-	(229,350)	(229,350)
Issue of share capital	7	1	-	1
<b>Balance at 31 March 2015</b>		1	(229,350)	(229,349)
<b>Year ended 31 March 2016:</b>				
Loss and total comprehensive income for the year		-	(3,436,867)	(3,436,867)
<b>Balance at 31 March 2016</b>		1	(3,666,217)	(3,666,216)

The notes on pages 7 to 10 form part of these financial statements.

# **CYGNET STREET DEVELOPMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2016**

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#### **1 Accounting policies**

##### **Company information**

Cygnnet Street Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor Sterling House, Langston Road, Loughton, Essex, IG10 3TS.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements prepared in accordance with FRS 102 section 1A. The date of transition to FRS 102 was 2 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The company's current loan facility of £7,591,765 is due to expire on 03 March 2017. The directors expect to be able to repay the facility in full by January 2017 from the proceeds of the sale of the properties within the company; as such, the financial statements have been prepared on a going concern basis. However there is no guarantee that these sales will be realised before March 2017 in order to fully repay the facility. Should it be required, the directors expect to be able to renew the facilities on similar terms; however they have no binding agreement from the banks involved. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

##### **1.3 Inventories**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost comprises the purchase cost of land and buildings and development expenditure.

Profit on sales of developed properties are taken on receipt of sales proceeds at legal completion. Costs attributable to each sale comprises an appropriate proportion of total costs of the development.

##### **1.4 Cash and cash equivalents**

Cash and cash equivalents 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.

# CYGNET STREET DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies (Continued)

#### 1.5 Financial instruments

Financial assets, other than investments, are initially measured at transaction price and subsequently held at cost, less any impairment.

Financial liabilities are measured initially at transaction price and subsequently at amortised cost.

Financial liabilities and equity are classified according to the substance of the instrument's contractual obligation, rather than its legal form.

Finance costs are charged to profit and loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

#### 1.6 Equity instruments

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

#### 1.7 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.8 Finance Costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Profit Share agreements with construction and financing partners are carried at fair value. Movements in fair value are recognised in finance costs.

### 2 Operating loss

	2016	2015
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	650	650
	<u>650</u>	<u>650</u>

### 3 Finance costs

	2016	2015
	£	£
Finance costs includes the following:		
Interest payable	576,678	16,947
Fair value changes on financial instruments	2,776,478	-
	<u>3,353,156</u>	<u>16,947</u>

# CYGNET STREET DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 4 Trade and other receivables

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Amount due from parent undertaking	831,920	-
Other receivables	50,001	1
	<u>881,921</u>	<u>1</u>

### 5 Current liabilities

	2016 £	2015 £
Bank loans and overdrafts (secured)	7,591,765	-
Trade payables	1,689,531	-
Amount due to parent undertaking	-	802,687
Other taxation and social security	14,410	-
Other payables	7,511,936	4,550,355
Provision for profit share	2,776,478	-
	<u>19,584,120</u>	<u>5,353,042</u>

	£
Fair value provision at 1 April 2015	-
Provision released in the year	2,776,478
	<u>2,776,478</u>
Fair value provision at 31 March 2016	<u>2,776,478</u>

### 6 Non-current liabilities

	2016 £	2015 £
Bank loans and overdrafts	-	3,403,162
	<u>-</u>	<u>3,403,162</u>

### 7 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>
<b>Issued and fully paid</b>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

### 8 Related party transactions

# **CYGNET STREET DEVELOPMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **8 Related party transactions**

**(Continued)**

The company has taken advantage of the exemption allowed by FRS 102 not to disclose any transactions with entities that are in the consolidated financial statements of Galliard (Group) Limited on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included within those financial statements.

### **9 Parent company**

The immediate parent company is Galliard Holdings Limited, a company registered in England and Wales, and the ultimate holding company is Galliard (Group) Limited, a company registered in England and Wales.

Galliard (Group) Limited prepares group financial statements and copies can be obtained from 3rd floor Sterling House, Langston Road, Loughton, Essex IG10 3TS.

In the opinion of the directors, there is no controlling party.