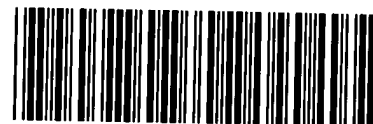


CH

Company Registration No. 9200085 (England and Wales)

CYGNET STREET DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

TUESDAY



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COMPANIES HOUSE

CYGNET STREET DEVELOPMENTS LIMITED

COMPANY INFORMATION

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

CYGNET STREET DEVELOPMENTS LIMITED

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CYGNET STREET DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

The Company has now completed development of twenty six private flats, thirteen share ownership flats and two commercial units, all of which contracts were exchanged and completed in the year with the exception of four flats that completed post year end.

Principal risks and uncertainties

The principal risks faced by the company are those associated with being part of a larger property development group. Thus a downturn in business for the group would adversely impact on the company as would the withdrawal of financial support by the parent company. These risks are currently considered minimal due to strong present and anticipated future trading performance of the group. The group is generally risk averse and endeavours to take appropriate action to minimise any risks it faces.

Development and performance

Turnover grew ninety two percent during the year to £28m (2017 – £11m)

The improvement in margins resulted largely from sales completed in the current year.

By order of the board



A. W. Porter
Secretary

26 October 2018

CYGNET STREET DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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.

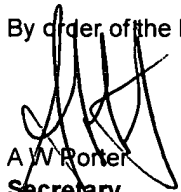
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 auditor

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 auditor 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.

By order of the board



A W Porter
Secretary

26 October 2018

CYGNET STREET DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CYGNET STREET DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Cygnet Street Developments Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CYGNET STREET DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CYGNET STREET DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



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

26 October 2018

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 COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Revenue	2	20,731,172	10,814,029
Cost of sales		(13,734,117)	(6,792,251)
Gross profit		6,997,055	4,021,778
Administrative expenses		(14,303)	(650)
Other operating income		135,343	108,264
Operating profit	3	7,118,095	4,129,392
Investment income		6,415	76,191
Finance costs		(20,937)	(1,217,856)
Profit before taxation		7,103,573	2,987,727
Tax on profit	4	(981,205)	(368,474)
Profit for the financial year and total comprehensive income		6,122,368	2,619,253

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

The notes on pages 8 to 12 form part of these financial statements.

CYGNET STREET DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Inventories		1,658,366		14,560,974	
Trade and other receivables	5	7,325,115		1,494,056	
		<u>8,983,481</u>		<u>16,055,030</u>	
Current liabilities	6	(3,908,076)		(14,294,478)	
Net current assets			5,075,405		1,760,552
Provisions for liabilities	7		-		(2,807,515)
Net assets/(liabilities)			<u>5,075,405</u>		<u>(1,046,963)</u>
Equity					
Called up share capital	8		1		1
Retained earnings			5,075,404		(1,046,964)
Total equity			<u>5,075,405</u>		<u>(1,046,963)</u>

The financial statements were approved by the board of directors and authorised for issue on 26 October 2018 and are signed on its behalf by:


S S Conway
Director

Company Registration No. 9200085

The notes on pages 8 to 12 form part of these financial statements.

CYGNET STREET DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2016	1	(3,666,217)	(3,666,216)
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	2,619,253	2,619,253
Balance at 31 March 2017	1	(1,046,964)	(1,046,963)
Year ended 31 March 2018:			
Profit and total comprehensive income for the year	-	6,122,368	6,122,368
Balance at 31 March 2018	1	5,075,404	5,075,405

The notes on pages 8 to 12 form part of these financial statements.

CYGNET STREET DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Cygnets 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

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.

The preparation of financial statements in compliance with FRS102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable following legal completion of developed units, 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.

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 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.

1.5 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.

CYGNET STREET DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 Taxation

The tax expense for the period comprises current and deferred tax.

Current tax

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

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

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against to reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.9 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.

1.10 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.

CYGNET STREET DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Revenue

	2018 £	2017 £
Turnover	20,731,172	10,814,029

	2018 £	2017 £
Revenue analysed by geographical market		
United Kingdom	20,731,172	10,814,029

3 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	650

4 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	1,349,679	368,474
Adjustments in respect of prior periods	(368,474)	-
Total current tax	981,205	368,474

The corporation tax rate changed on 1 April 2017 from 20% to 19%.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	7,103,573	2,987,727
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	1,349,679	597,545
Unutilised tax losses carried forward	-	(229,071)
Over provided in prior year	(368,474)	-
Taxation charge for the year	981,205	368,474

CYGNET STREET DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5 Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year:		
Trade receivables	819	-
Amounts due from shareholders	7,322,849	862,395
Other receivables	1,447	631,661
	<u>7,325,115</u>	<u>1,494,056</u>

6 Current liabilities

	2018 £	2017 £
Bank loans and overdrafts	-	6,283,795
Trade payables	-	788
Amounts due to joint ventures	2,542,246	4,716,847
Corporation tax	1,349,679	368,474
Other payables	16,151	2,924,574
	<u>3,908,076</u>	<u>14,294,478</u>

There are no amounts included under current liabilities in respect of which any security has been given by the small entity.

There are no amounts included under current liabilities which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following reporting date.

7 Provisions for liabilities

	2018 £	2017 £
Fair value provision	<u>-</u>	<u>2,807,515</u>
 Movements on provisions:		
		Fair value provision £
At 1 April 2017		(2,807,515)
Provision utilised		2,807,515
At 31 March 2018		<u>-</u>

CYGNET STREET DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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.