

Registered number: 09622202

Cathay Investments 2 Properties Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2019

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Cathay Investments 2 Properties Limited
Registered number: 09622202

Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	3	-	905,223
Current assets			
Debtors: amounts falling due within one year	4	715,035	-
Cash at bank and in hand		23,209	373,566
		<u>738,244</u>	<u>373,566</u>
Creditors: amounts falling due within one year	5	(51,523)	(267,677)
Net current assets		<u>686,721</u>	<u>105,889</u>
Total assets less current liabilities		<u>686,721</u>	<u>1,011,112</u>
Creditors: amounts falling due after more than one year	6	(630,605)	(682,750)
Provisions for liabilities			
Deferred tax		(54,022)	(36,801)
		<u>(54,022)</u>	<u>(36,801)</u>
Net assets		<u>2,094</u>	<u>291,561</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		2,093	291,560
		<u>2,094</u>	<u>291,561</u>

Cathay Investments 2 Properties Limited
Registered number: 09622202

Balance Sheet (continued)
As at 31 December 2019

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


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B Chaing
Director

15/12/20

The notes on pages 3 to 8 form part of these financial statements.

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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:
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

The principal place of business is:
Airport House
Purley Way
Croydon
CR0 0XZ

2. Accounting policies

2.1 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.

2.2 Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

2.3 Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

2.4 Revenue recognition

Turnover comprises the fair value of the consideration received or receivable in respect of rentals earned in the ordinary course of the company's activities. Turnover is shown net of sales tax.

The company recognises revenue when:
The amount of revenue can be reliably measured;
and it is probable that future economic benefits will flow to the entity.

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land, less their estimated residual value over their estimated useful lives, as follows:

Freehold land and buildings	-	2% per annum straight line
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2.7 Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors with no stated interest rate and payable within one year are recorded at transaction price.

2.8 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 profit or loss 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.

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.9 Leases

Assets held for use under operating leases are included in fixed assets and depreciated over their useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

2.10 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.

2.11 Financial instruments

Classification

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.

Recognition and measurement

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

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

3. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 January 2019	1,111,606
Disposals	(1,111,606)
At 31 December 2019	-
Depreciation	
At 1 January 2019	206,383
Charge for the year on owned assets	5,558
Disposals	(211,941)
At 31 December 2019	-
Net book value	
At 31 December 2019	-
At 31 December 2018	905,223

4. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	715,000	-
Other debtors	35	-
	715,035	-

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Loans and borrowings	49,818	49,818
Trade creditors	-	10,800
Other creditors	-	205,223
Accruals	1,705	1,836
	51,523	267,677

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Loans and borrowings	630,605	682,750
	<u>630,605</u>	<u>682,750</u>

Creditors include the following liabilities, on which security has been given by the company:

Bank borrowings of £680,423 (2018: £732,568) are secured over all the assets of the company.

7. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

8. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	49,818	49,818
Amounts falling due after more than one year		
Bank loans	<u>630,605</u>	<u>682,750</u>

9. Financial commitments, guarantees and contingencies

The total amount of contingencies not included in the balance sheet is £22,587,833 (2018: £25,342,975). The company has given cross guarantees to the group's bankers in respect of borrowings by certain group companies.

10. Related party transactions

Summary of transactions with other related parties

Cathay Investments Limited and subsidiary companies, group company

The company has given cross guarantees in respect of borrowings by Cathay Investments Limited and certain of its subsidiaries. The total amount of contingencies not included in the balance sheet is £17,995,367 (2018: £20,606,019).

The company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with other wholly owned members of the group.

Cathay Investments 2 Properties Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Post balance sheet events

In January 2020, the bank loan totalling £680,423 was repaid in full.

12. Parent and ultimate parent undertaking and controlling party

The company's immediate parent is Cathay Investments 2 Limited, incorporated in England and Wales.

The company's ultimate parent is Chaing Equities Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Chaing Equities Limited. These financial statements are available upon request from the registered office at Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG.

The ultimate controlling party is B Chaing, a director of the parent company, who with members of his close family, control the company as a result of controlling, directly or indirectly, the majority of the issued share capital in the ultimate parent company.