

Company Registration No. 12793732 (England and Wales)

**CORDIA UK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

# CORDIA UK HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr A Karpati	(Appointed 5 August 2020)
<b>Company number</b>	12793732	
<b>Registered office</b>	22a Great Hampton Street Birmingham West Midlands England B18 6AH	
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY	

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# **CORDIA UK HOLDINGS LIMITED**

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# **CORDIA UK HOLDINGS LIMITED**

## **DIRECTOR'S REPORT**

### ***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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The director presents his annual report and financial statements for the period ended 31 December 2021.

#### **Incorporation**

The company was incorporated on 5 August 2020 and commenced trading on the same date.

#### **Principal activities**

The principal activity of the company is that of an investment holding company.

The principal activity of the group is that of property developers.

#### **Results and dividends**

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

#### **Director**

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

Mr A Karpati	(Appointed 5 August 2020)
Ms O'Flaherty	(Appointed 5 August 2020 and resigned 1 March 2022)
Mrs S E Lawrence	(Appointed 5 August 2020 and resigned 1 March 2022)
Ms C A Rotsey	(Appointed 5 August 2020 and resigned 19 October 2020)

#### **Auditor**

Ormerod Rutter Limited were appointed as auditor to the group 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 director's responsibilities**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

#### **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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

# **CORDIA UK HOLDINGS LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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### **Small companies exemption**

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

On behalf of the board

Mr A Karpati

**Director**

5 May 2022

# **CORDIA UK HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CORDIA UK HOLDINGS LIMITED**

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#### **Opinion**

We have audited the financial statements of Cordia UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2021 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2021 and of the group's loss for the period 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **CORDIA UK HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CORDIA UK HOLDINGS LIMITED**

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### **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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the parent 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 director either intends to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **CORDIA UK HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CORDIA UK HOLDINGS LIMITED**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or operations of the company and group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual transactions or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence available with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **CORDIA UK HOLDINGS LIMITED**

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

#### **TO THE MEMBERS OF CORDIA UK HOLDINGS LIMITED**

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##### **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.

**Joanne Baldwin ACA FCCA (Senior Statutory Auditor)**  
**For and on behalf of Ormerod Rutter Limited**

5 May 2022

**Chartered Accountants**  
**Statutory Auditor**

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# **CORDIA UK HOLDINGS LIMITED**

## **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Notes	Period ended 31 December 2021 £
<b>Turnover</b>		51,077
Cost of sales		(23,048)
<b>Gross profit</b>		28,029
Administrative expenses		(1,586,182)
<b>Operating loss</b>		(1,558,153)
Interest payable and similar expenses	5	(1,167,801)
<b>Loss before taxation</b>		(2,725,954)
Tax on loss		(10,862)
<b>Loss for the financial period</b>	15	(2,736,816)
(Loss)/profit for the financial period is attributable to:		
- Owner of the parent company		(2,654,712)
- Non-controlling interests		(82,104)
		(2,736,816)

# CORDIA UK HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£
<b>Fixed assets</b>			
Intangible assets	6		10,030
Tangible assets	7		467,000
Investment properties	8		1,375,179
			<u>1,852,209</u>
<b>Current assets</b>			
Stocks		24,228,555	
Debtors	11	2,459,942	
Cash at bank and in hand		3,538,268	
		<u>30,226,765</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,554,908)</u>	
<b>Net current assets</b>			<u>26,671,857</u>
<b>Total assets less current liabilities</b>			<u>28,524,066</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(30,073,980)
<b>Provisions for liabilities</b>			<u>(514)</u>
<b>Net liabilities</b>			<u><u>(1,550,428)</u></u>
<b>Capital and reserves</b>			
Called up share capital			101
Share premium account	15		1,018,180
Profit and loss reserves	15		<u>(2,654,712)</u>
<b>Equity attributable to owner of the parent company</b>			<u>(1,636,431)</u>
<b>Non-controlling interests</b>			<u>86,003</u>
			<u><u>(1,550,428)</u></u>

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5 May 2022 and are signed on its behalf by:

Mr A Karpati  
Director

# **CORDIA UK HOLDINGS LIMITED**

## **COMPANY BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	2021 £	£
<b>Fixed assets</b>			
Investments	9		987,830
<b>Current assets</b>			
Debtors falling due after more than one year	11	29,114,132	
Debtors falling due within one year	11	10	
Cash at bank and in hand		1,823	
		<u>29,115,965</u>	
<b>Creditors: amounts falling due within one year</b>	12	(22,139)	
<b>Net current assets</b>			<u>29,093,826</u>
<b>Total assets less current liabilities</b>			<u>30,081,656</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(29,084,316)
<b>Net assets</b>			<u><u>997,340</u></u>
<b>Capital and reserves</b>			
Called up share capital			101
Share premium account	15		1,018,180
Profit and loss reserves	15		(20,941)
<b>Total equity</b>			<u><u>997,340</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £20,941.

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 5 May 2022 and are signed on its behalf by:

Mr A Karpati  
**Director**

**Company Registration No. 12793732**

# CORDIA UK HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share capital	Share premium/loss account	Profit and reserves	Non-controlling interest	Total
Notes	£	£	£	£	£
<b>Balance at 5 August 2020</b>	-	-	-	-	-
<b>Period ended 31 December 2021:</b>					
Loss and total comprehensive income for the period	-	-	(2,654,712)	(2,654,712)	(2,736,816)
Issue of share capital	101	1,018,180	-	1,018,281	1,018,281
Acquisition of subsidiary	-	-	-	-	137,565
Other movements	-	-	-	-	30,542
<b>Balance at 31 December 2021</b>	101	1,018,180	(2,654,712)	(1,636,431)	(1,550,428)

# CORDIA UK HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 5 August 2020	-	-	-	-
Period ended 31 December 2021:				
Loss and total comprehensive income for the period	-	-	(20,941)	(20,941)
Issue of share capital	101	1,018,180	-	1,018,281
Balance at 31 December 2021	101	1,018,180	(20,941)	997,340

# **CORDIA UK HOLDINGS LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Cordia UK Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 22a Great Hampton Street, Birmingham, England, B18 6AH.

The group consists of Cordia UK Holdings Limited and all of its subsidiaries.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, 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.

The 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 for parent company information presented within the consolidated financial statements:

- 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 financial instruments not measured at fair value; 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.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Cordia UK Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### **1.4 Going concern**

Notwithstanding net liabilities of £1.6 million as at 31 December 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have assessed the ability of the company to continue as a going concern for a period of 12 months from the date of approval of these financial statements and this assessment indicates that the company will have sufficient funds, through funding from its parent company, Cordia International Zrt. to meet its liabilities as they fall due for that period.

#### **1.5 Reporting period**

During the period, the company extended its accounting reference date from 31 August 2021 to 31 December 2021 to align with other group entities.

#### **1.6 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.



# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.7 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Other intangibles	20% on cost
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#### **1.8 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:

Freehold land and buildings	not depreciated
Fixtures and fittings	33% on cost
Computer equipment	33% on cost

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 recognised in the profit and loss account.

#### **1.9 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### **1.10 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.11 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.12 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.13 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.

#### **1.14 Financial instruments**

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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.

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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 group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### **1.15 Equity instruments**

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

### **1.16 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### ***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 group'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 if, and only if, there is 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.

#### **1.17 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.

#### **1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# **CORDIA UK HOLDINGS LIMITED**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

### **1 Accounting policies**

**(Continued)**

#### **1.19 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.20 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 group'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.

### **3 Auditor's remuneration**

	<b>2021</b>
Fees payable to the company's auditor and associates:	<b>£</b>
<b>For audit services</b>	
Audit of the financial statements of the group and company	6,750
Audit of the financial statements of the company's subsidiaries	11,700
	<u>18,450</u>

### **4 Employees**

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

	<b>Group 2021 Number</b>	<b>Company 2021 Number</b>
Total	<u>18</u>	<u>3</u>

# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 5 Interest payable and similar expenses

	2021 £
Interest payable to group undertakings	1,120,319
Other interest on financial liabilities	46,933
Other interest	549
	<hr/>
Total finance costs	1,167,801
	<hr/> <hr/>

### 6 Intangible fixed assets

Group	Other intangibles £
<b>Cost</b>	
At 5 August 2020	-
Additions	11,084
	<hr/>
At 31 December 2021	11,084
	<hr/>
<b>Amortisation and impairment</b>	
At 5 August 2020	-
Amortisation charged for the period	1,054
	<hr/>
At 31 December 2021	1,054
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	10,030
	<hr/> <hr/>

# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 7 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 5 August 2020	-	-	-
Additions	451,468	20,601	472,069
At 31 December 2021	451,468	20,601	472,069
<b>Depreciation and impairment</b>			
At 5 August 2020	-	-	-
Depreciation charged in the period	-	5,069	5,069
At 31 December 2021	-	5,069	5,069
<b>Carrying amount</b>			
At 31 December 2021	451,468	15,532	467,000

### 8 Investment property

	Group 2021 £	Company 2021 £
<b>Fair value</b>		
At 5 August 2020	-	-
Additions	1,375,179	-
At 31 December 2021	1,375,179	-

Investment property comprises 22a Great Hampton Street for £852,832 and the property known as Bradford Works for £522,347. The fair value of 22a Great Hampton Street has been arrived at by management based on apportioned cost, reflecting floor space rented to 3rd parties. There has been no significant change in the fair value of investment property held as at the reporting date.



# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 9 Fixed asset investments

	Group 2021 £	Company 2021 £
Investments in subsidiaries	-	987,830
<b>Movements in fixed asset investments</b>		
<b>Company</b>		<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>		
At 5 August 2020		-
Additions		987,830
At 31 December 2021		987,830
<b>Carrying amount</b>		
At 31 December 2021		987,830

See note 16 for details on the acquisitions made by the company.

# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Blackswan Property Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Blackswan Developments (Barr Street) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Blackswan Developments (The Gothic) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Blackswan (Bradford Works) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (Thorp) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (22 Great Hampton Street) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan Property Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (Nightingale) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (Key Hill) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (Cheapside) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan (Project 1) Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Nightingale Knitwear Centre Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	0	97.00
Cordia Blackswan Holdings Limited	22a Great Hampton Street, Birmingham, B18 6AH	Ordinary	97.00	-

### 11 Debtors

	Group 2021 £	Company 2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	15,092	-
Other debtors	2,444,850	10
	<u>2,459,942</u>	<u>10</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group	-	29,114,132
	<u>-</u>	<u>29,114,132</u>
<b>Total debtors</b>	<u>2,459,942</u>	<u>29,114,142</u>

# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	Group 2021 £	Company 2021 £
Bank loans	19,527	-
Trade creditors	549,429	-
Amounts owed to group undertakings	-	14,139
Corporation tax payable	33,976	-
Other taxation and social security	77,977	-
Other creditors	2,873,999	8,000
	<u>3,554,908</u>	<u>22,139</u>

### 13 Creditors: amounts falling due after more than one year

	Group 2021 £	Company 2021 £
Bank loans and overdrafts	77,811	-
Amounts owed to group undertakings	29,084,316	29,084,316
Other creditors	911,853	-
	<u>30,073,980</u>	<u>29,084,316</u>

### 14 Loans and overdrafts

	Group 2021 £	Company 2021 £
Bank loans	97,338	-
Other loans	1,786,963	-
	<u>1,884,301</u>	<u>-</u>
Payable within one year	894,637	-
Payable after one year	989,664	-
	<u>1,884,301</u>	<u>-</u>

Bank loans are secured by way of a government-backed guarantee.

# CORDIA UK HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 15 Reserves

#### Profit and loss reserve

The profit and loss reserves comprise of the cumulative profits or losses of the Company or Group.

#### Share premium account

The share premium account represents the difference between the par value of shares issued during the period and the issue price.

### 16 Acquisition of a business

On 3 September 2020 the group acquired 100% of the issued capital of Blackswan Property Limited, Blackswan (Bradford Works) Limited, Blackswan Developments (The Gothic) Limited and Blackswan Developments (Barr Street) Limited. On 1 April 2021 the group also acquired 100% of the issued capital of Nightingale Knitwear Centre Limited.

	Book Value £	Adjustments £	Fair Value £
<b>Net assets acquired</b>			
Property, plant and equipment	97,470	1,519,205	1,616,675
Inventories	2,176,975	2,412,064	4,589,039
Trade and other receivables	1,135,719	-	1,135,719
Cash and cash equivalents	19,912	-	19,912
Trade and other payables	(2,774,333)	-	(2,774,333)
Tax liabilities	(1,793)	-	(1,793)
Total identifiable net assets	653,950	3,931,269	4,585,219
Non-controlling interests			(137,557)
Goodwill			-
Total consideration			4,447,662
The consideration was satisfied by:			£
Cash			2,526,662
Deferred consideration			1,921,000
			4,447,662
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			41,987
Loss after tax			(30,734)

## **CORDIA UK HOLDINGS LIMITED**

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

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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#### **17 Controlling party**

##### **Ultimate parent company**

FR Group B.V. is regarded by the directors as being the ultimate parent company.

##### **Ultimate controlling party**

The ultimate controlling party is Mr G A Futo (as the major shareholder) together with his parents, by virtue of their controlling interest in the ultimate parent company.

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.