

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

CITY & PROVINCIAL

PROPERTIES LIMITED

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CITY & PROVINCIAL PROPERTIES LIMITED

REGISTERED NUMBER:1782005

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	419	10,067
Investments	5	2,647,398	2,647,398
		<u>2,647,817</u>	<u>2,657,465</u>
Current assets			
Stocks		47,250	4,300,276
Debtors: amounts falling due within one year	6	12,581,369	13,594,577
Cash at bank and in hand		925,494	4,267,192
		<u>13,554,113</u>	<u>22,162,045</u>
Creditors: amounts falling due within one year	7	(786,394)	(8,430,527)
Net current assets		<u>12,767,719</u>	<u>13,731,518</u>
Total assets less current liabilities		<u>15,415,536</u>	<u>16,388,983</u>
Provisions for liabilities			
Deferred tax	8	-	(128,189)
		<u>-</u>	<u>(128,189)</u>
Pension liability		(230,626)	(30,864)
Net assets		<u>15,184,910</u>	<u>16,229,930</u>
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss account		15,134,910	16,179,930
		<u>15,184,910</u>	<u>16,229,930</u>

CITY & PROVINCIAL PROPERTIES LIMITED

REGISTERED NUMBER:1782005

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

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 comprehensive income 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 by:

.....
Mr P Kempe

Director

Date: 1 February 2022

The notes on pages 3 to 10 form part of these financial statements.

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

City & Provincial Properties Limited is a private company limited by shares incorporated in England and Wales. The

address of the registered office is Lynton House, 7-12 Tavistock Square, London, WC1H 9LT. The principal place of business is 5 Marylebone Mews, London, W1G 8PX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue represents income receivable from property sales and rental agreements, net of VAT.

Property acquisitions and disposals are recognised upon exchange of contracts or where any substantial conditions exist then when those conditions have been complied with.

Rental income is recognised in line with rental agreements, with income received in advance of its related rental period being deferred where necessary.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	33%
Fixtures and fittings	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Stock

Development properties held as inventory have been valued at the lower of cost (or deemed cost) and estimated selling price less costs to sell.

Interest costs incurred in funding the development of the properties have not been capitalised and have therefore been expended.

Incidental costs incurred on acquisition of properties such as stamp duty and legal fees have been capitalised.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Government grants

Government grants related to furloughed employees are recognised in the Statement of Income and Retained

Earnings in the same period as the wages and salaries expenditure.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 Current and deferred taxation

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

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 income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. Employees

The average monthly number of employees, including directors, during the year was 38 (2019 - 35).

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2020	112,569
At 31 December 2020	112,569
Depreciation	
At 1 January 2020	102,502
Charge for the year on owned assets	9,648
At 31 December 2020	112,150
Net book value	
At 31 December 2020	419
<i>At 31 December 2019</i>	<i>10,067</i>

5. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2020	2,647,378	20	2,647,398
At 31 December 2020	2,647,378	20	2,647,398

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Debtors

	2020 £	2019 £
Trade debtors	3,947	4,361,225
Amounts owed by group undertakings	105,000	105,000
Amounts owed by joint ventures and associated undertakings	1,775,000	1,775,000
Other debtors	9,644,923	7,222,967
Prepayments and accrued income	1,052,499	130,385
	<u>12,581,369</u>	<u>13,594,577</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	2,145,000
Trade creditors	166,021	177,670
Other taxation and social security	116,725	174,594
Other creditors	33,096	3,149,987
Accruals and deferred income	470,552	2,783,276
	<u>786,394</u>	<u>8,430,527</u>

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Deferred taxation

	2020 £
At beginning of year	(128,189)
Charged to profit or loss	128,189
At end of year	-

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Fair value movement on investment property revaluation	-	(128,189)
	-	(128,189)

9. Contingent liabilities

The Company has provided Royal Bank of Scotland with an unlimited guarantee over the borrowing of CPP London Properties Limited, a company under common control. At the year end CPP London Properties Limited owed £4.13m (2019: £4.22m) to Royal Bank of Scotland.

10. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	-	280,000
Later than 1 year and not later than 5 years	-	1,120,000
Later than 5 years	-	4,414,667
	-	5,814,667

During the year the Company assigned its operating leases to another company therefore the lease commitments disclosed in the comparatives of the above note have been transferred.

11. Director's advances, credits and guarantees

As at 31 December 2020, a director owed the Company £123,537 (2019: £123,537). There have been no movements during the year and the loan is non-interest bearing.

CITY & PROVINCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Related party transactions

The company has taken advantage of the exemption under FRS102 1A to not disclose related party transactions with members of a wholly-owned group.

13. Post balance sheet events

The investment in the sole associate was disposed of in July 2021, resulting in cash inflows in excess of £9m. This included £1.775m owed to the company by the associate at the year-end and at the time of the transaction.

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 1 February 2022 by Robin Hopkins FCA (Senior Statutory Auditor) on behalf of Menzies LLP.

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.