

Company registration number 02801158 (England and Wales)

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

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CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

COMPANY INFORMATION

Director	Mr L.G. Kirschel
Company number	02801158
Registered office	3rd Floor 114a Cromwell Road London SW7 4AG
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		1,909		2,245
Investment property	4		33,250,000		40,700,000
			<u>33,251,909</u>		<u>40,702,245</u>
Current assets					
Debtors falling due after more than one year	5	1,021,695		1,250,862	
Debtors falling due within one year	5	9,703,786		24,089,610	
Cash at bank and in hand		1,095,683		445,733	
		<u>11,821,164</u>		<u>25,786,205</u>	
Creditors: amounts falling due within one year	6	<u>(8,811,319)</u>		<u>(22,750,290)</u>	
Net current assets			<u>3,009,845</u>		<u>3,035,915</u>
Total assets less current liabilities			<u>36,261,754</u>		<u>43,738,160</u>
Provisions for liabilities			<u>(7,509,823)</u>		<u>(10,091,913)</u>
Net assets			<u><u>28,751,931</u></u>		<u><u>33,646,247</u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves	11		28,751,831		33,646,147
Total equity			<u><u>28,751,931</u></u>		<u><u>33,646,247</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 22 September 2023

Mr L.G. Kirschel
Director

Company registration number 02801158 (England and Wales)

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Consolidated Property Corporation Inc. Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 114a Cromwell Road, London, SW7 4AG.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Director, along with the senior management of the "group of companies" or "Group" (CHL inclusive of all subsidiaries) have reviewed forecasts and budgets for the coming year, which have been drawn up with appropriate regard for the current economic environment and the particular circumstances in which the Group operates. These were prepared with reference to historical and current industry knowledge, taking into account future strategy of the Group.

The Group continues to make use of appropriate banking sources for the financing of its portfolio. The Group also does not operate an overdraft facility but borrows on a site-specific basis from various bankers, with support from the Director. The Board is comfortable with the existing structure of its bank finance.

The existing operations have been generating increasing funds to contribute to the short-term operating cash requirements as well as asset realisations from within other areas of the group. Management are confident that future sales (revenue and asset realisations) will allow the Group to meet loan repayments due within the next twelve months or that the loans will be refinanced to maintain the Group.

As a result of these considerations, at the time of approving the financial statements, the Director considers that the Company and the Group have sufficient resources and plans to continue in operational existence for the foreseeable future, despite the degree of uncertainty that exists with executing the strategy. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The director has received undertakings from fellow group companies that they will not seek repayment of their loans until such time as the company is in a position to be able to repay them.

1.3 Turnover

Turnover, which is stated net of value added tax, represents rent and service charges receivable.

The turnover was derived from the company's principal activity which was carried out wholly in United Kingdom.

1.4 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.

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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:

Fixtures, fittings & equipment	15% p.a. on a reducing balance basis
Furniture & equipment	15% p.a. on a reducing balance basis

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 credited or charged to profit or loss.

1.5 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. The surplus or deficit on revaluation is recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.7 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.

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial assets and liabilities are offset, with 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.

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 company 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.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Taxation

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

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 company'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 when the company has 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.

1.12 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.

2 Employees

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

	2022 Number	2021 Number
Total	-	-
	==	==

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Tangible fixed assets

	Fixtures, fittings & equipment	Furniture & equipment	Total
	£	£	£
Cost			
At 1 January 2022 and 31 December 2022	59,121	47,852	106,973
Depreciation and impairment			
At 1 January 2022	57,783	46,945	104,728
Depreciation charged in the year	200	136	336
At 31 December 2022	57,983	47,081	105,064
Carrying amount			
At 31 December 2022	1,138	771	1,909
At 31 December 2021	1,338	907	2,245

4 Investment property

	2022 £
Fair value	
At 1 January 2022	40,700,000
Revaluations	(7,450,000)
At 31 December 2022	33,250,000

Investment properties have been valued at 31 December 2022 by the director, using an open market value for existing use basis at £33,250,000. The historical cost of freehold land and buildings was £1,643,707

5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	59,263	306,293
Amounts due from group undertakings	9,031,168	22,044,298
Other debtors	613,355	1,739,019
	9,703,786	24,089,610
Amounts falling due after one year:		
Other debtors	1,021,695	1,250,862
Total debtors	10,725,481	25,340,472

Included in other debtors is £Nil (2021: £789,709) in respect of accrued interest due from a related party, Consolidated Hotels Holdings Limited.

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	7,958,889	21,595,682
Trade creditors	34,933	959
Amounts owed to group undertakings	403,413	742
Taxation and social security	63,570	63,723
Accruals and deferred income	350,514	1,089,184
	<u>8,811,319</u>	<u>22,750,290</u>

The bank loan is secured by fixed charge over the company's freehold investment property and debenture over the assets of the company.

7 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
Balances:	£	£
Fair value property gains	<u>7,509,823</u>	<u>9,372,323</u>

8 Called up share capital

	2022	2021
	£	£
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Ahsan Miraj.
The auditor was Bright Grahame Murray.

CONSOLIDATED PROPERTY CORPORATION INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Parent company

The company's immediate parent undertaking is CPC Inc Company Limited. The ultimate parent undertaking is Consolidated Holdings Limited. Both companies are registered in England and Wales.

11 Profit and loss reserves

The profit and loss reserve of £28,751,831 includes all current and prior period profits and losses. £24,096,470 of the profit and loss reserve is non distributable. The non distributable element of the profit and loss reserve relates to investment property revaluation gains, net of related deferred taxation.

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.