

Company Registration No. 08973575 (England and Wales)

**Cygnus Estates Limited**  
**Unaudited Financial Statements**  
**For The Year Ended 30 April 2020**

# **CYGNUS ESTATES LIMITED**

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# CYGNUS ESTATES LIMITED

## BALANCE SHEET AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Stocks		11,496,294		11,496,294	
Debtors	3	170,412		991,762	
Cash at bank and in hand		159,048		254,640	
		<u>11,825,754</u>		<u>12,742,696</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(268,376)</u>		<u>(111,481)</u>	
<b>Net current assets</b>			11,557,378		12,631,215
<b>Creditors: amounts falling due after more than one year</b>	5	<u>(13,077,176)</u>		<u>(13,155,932)</u>	
<b>Net liabilities</b>		<u>(1,519,798)</u>		<u>(524,717)</u>	
<b>Capital and reserves</b>					
Called up share capital			326		326
Profit and loss reserves			<u>(1,520,124)</u>		<u>(525,043)</u>
<b>Total equity</b>			<u>(1,519,798)</u>		<u>(524,717)</u>

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

For the financial year ended 30 April 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 by the board of directors and authorised for issue on 18 March 2021 and are signed on its behalf by:

Ms J E McGivern  
**Director**

**Company Registration No. 08973575**

# CYGNUS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

#### Company information

Cygnus Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1 President Buildings, Savile Street East, Sheffield, S4 7UQ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with "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 £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

During the year, the company's key tenant declared bankrupt giving rise to a significant write off of rent monies due. As a consequence, the company reported a loss for the year of £0.9m after tax and at the balance sheet date had net liabilities of £1.4m.

The company's assets are primarily related to development stock, funded in part by shareholder loans of £6.4m and external funding of £6.9m. Post year end management accounts indicate that the company is trading profitably and generating cash which is enabling it to continue trading. Nonetheless, the company remains dependent on continuing support of funders, which is being given at present. It is also dependent on a gradual improvement away from the economic uncertainty arising from Covid-19, which continues to present challenges for tenants.

Taking the above into account, together with uncommitted indications of support from external funders as well as the shareholders, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and not less than one year from approval of these financial statements.

#### 1.3 Turnover

Turnover represents revenues from the sale of completed development property.

Other income represents rental income and associated service fees, which are recognised on an accruals basis across the period of each lease agreement. Lease incentives are spread across the life of each lease so as to straight line the income.

On termination of a lease, any amounts charged in respect of dilapidation costs are recognised as income immediately on the date of termination of the lease.

#### 1.4 Stocks

Stocks represent work in progress of a development property, where the cost includes all directly attributable expenses of acquisition, planning, and construction, together with financing costs incurred throughout the life of the development. The carrying value of the development property is the lower of cost and net realisable value, with the latter representing estimated selling price less anticipated future costs to complete.

# CYGNUS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

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.

#### 1.5 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.

#### 1.6 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.

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

# CYGNUS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from related group companies 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 company's contractual obligations expire or are discharged or cancelled.

### 1.7 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.

### 1.8 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### 2 Employees

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

	2020 Number	2019 Number
Total	4	4
	<u>4</u>	<u>4</u>

# CYGNUS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

### 3 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	170,412	762
Other debtors	-	884,500
	<u>170,412</u>	<u>885,262</u>
Deferred tax asset	-	61,000
	<u>170,412</u>	<u>946,262</u>
	<u><u>170,412</u></u>	<u><u>946,262</u></u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	-	45,500
	<u>-</u>	<u>45,500</u>
<b>Total debtors</b>	<u><u>170,412</u></u>	<u><u>991,762</u></u>

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

	2020	2019
	£	£
Bank loans	104,845	69,869
Trade creditors	3,074	-
Taxation and social security	27,821	3
Other creditors	132,636	41,609
	<u>268,376</u>	<u>111,481</u>
	<u><u>268,376</u></u>	<u><u>111,481</u></u>

Included within bank loans are gross amounts payable of £141,571 (2019 - £109,668) that are secured against developed property which is held within work in progress.

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

	2020	2019
	£	£
Bank loans and overdrafts	6,730,983	6,814,659
Other creditors	6,346,193	6,341,273
	<u>13,077,176</u>	<u>13,155,932</u>
	<u><u>13,077,176</u></u>	<u><u>13,155,932</u></u>

Included within bank loans are gross amounts payable of £6,790,155 (2019 - £6,895,131) that are secured against developed property which is held within work in progress.

## **CYGNUS ESTATES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2020**

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#### **6 Related party transactions**

Included within other creditors due in more than one year are loans due to shareholders and companies under common control of the directors totalling £6,346,193 (2019 - £6,341,273). The loans are interest free and repayable upon sale of the property.



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.