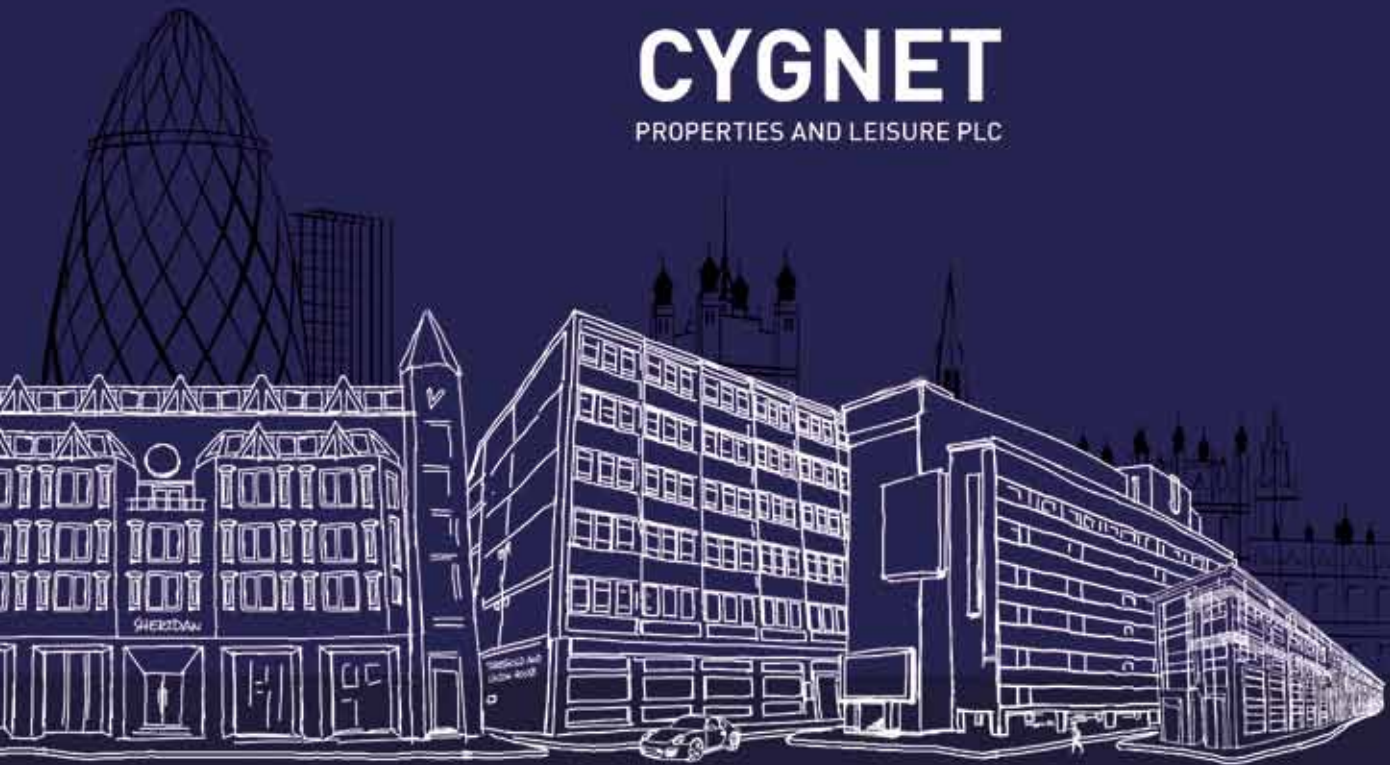




CYGNET

PROPERTIES AND LEISURE PLC




Annual Report

2015



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"These are ideal market conditions for Cygnet to expand its portfolio"

If you have questions regarding the content of this annual report please contact us at enquiries@cygnetproperties.co.uk

Cygnet Properties & Leisure PLC

Registered Address

Crown House,
North Circular Road,
Park Royal,
London NW10 7PN

Financial calendar

Record date for dividend

17th September 2015

Annual General Meeting

24th September 2015

Payment for dividend

9th October 2015

CYGNET
— Board of directors



Nazmu Virani
EXECUTIVE CHAIRMAN



Zul Virani
DIRECTOR



Rahim Virani BSc
MANAGING DIRECTOR



Karim Virani BA (Law)
DIRECTOR (LEGAL)



Shaila Virani BSc, BA
DIRECTOR



Robert Towers ACIB
NON-EXECUTIVE DIRECTOR



Pravin Malde BSc(Econ) FCA
COMPANY SECRETARY

— Company information

Directors

Nazmu Virani
Executive Chairman

Zul Virani
Director

Rahim Virani BSc
Managing Director

Karim Virani BA (LAW)
Director (Legal)

Shaila Virani BSc, BA
Director

Robert Towers, ACIB
Non-executive Director

Pravin Malde
Company Secretary



Headoffice: Crown House, North Circular Road, Park Royal, London NW10 7PN

Registered in England & Wales No. 3325149

Group Auditors

UHY Hacker Young LLP
Quadrant House
4 Thomas More Street
Thomas More Square
London E1W 1YW

Secondary Auditors

UHY Hacker Young (Brighton)
168 Church Road
Hove East Sussex BN3 2DL

Solicitors

BPE
St. James Square
Cheltenham GL50 3PR

Principal Bankers

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW
Punjab National Bank
(International) Ltd
1 Moorgate Street
London
EC2R 6AB
Santander UK PLC
298 Deansgate
Manchester
M3 4HH
HSBC Bank plc
46 The Broadway
Ealing
London W5 5JZ

Registrars

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

— Management team



Zaeem Ud-Din ACMA, FCCA
FINANCIAL CONTROLLER



Mumtaz Ullah
ASSISTANT ACCOUNTANT



Mohammad Sherzad
ASSISTANT ACCOUNTANT



Paul Kyriacou BSc, MRICS
GROUP SURVEYOR



Raj Yaqub
PROPERTY MANAGER



Pasha Sadr
PROPERTY MANAGER



Zara Virani
PROPERTY MANAGER



Bhadra Makwana
PROPERTY MANAGER



Thomas Nemeth
PROPERTY MANAGER



Sunny Sanghera
TELECOMS CONSULTANT



Jamie Brittan
ADMINISTRATIVE ASSISTANT



Jasdeep Bhaura
ADMINISTRATIVE ASSISTANT



CHAIRMAN'S MESSAGE

The resultant operating profit for the year including joint ventures and associated companies increased by 19% to £3.85m

Turnover for the year ended 31 March 2015 increased by

23%↑



Results

I am pleased to report another years' strong performance for the Group with an improvement in both Operating Profit and Net Asset Value.

Turnover for the year ended 31 March 2015 was £5.8m (2014: £4.7m) an increase of 23%. The resultant operating profit for the year including joint ventures and associated companies increased to £3.85m from £3.24m in 2014 an increase of 19%. The profit on ordinary activities also improved, before taxation from £2.72m to £3.59m by 32.0%, and after taxation from £1.62m to £2.07m by 28%. Most significantly earnings per share at the year end was 7.3 pence (2014: 5.76 pence), an increase of 27% whilst net asset value at 31 March 2015 was £33.3m, up 37% on the previous year equivalent (2014: £24.3m). This equates to 118 pence per share (2014: 86.5 pence per share) The Board are recommending a dividend payment of 0.30 pence per share consistent with last year.

Corporate Criteria

Both the gearing ratio and interest cover are matters that the Board monitor on a regular basis. As at the year-end gearing was 27% (2014: 27%). 43% of the loans have a maturity of 5 years or more. Net debt during the year rose by £2.9m (2014: £11.8m) as a result of the acquisitions made by the company during the year. The acquisitions were all made for cash and financed subsequently.

Property Review

The property portfolio has performed well across the entire spectrum. Within the Group's Portfolio there are 6 Business Centres which are multi tenanted and highly management intensive properties. 5 of these centres are in London and there is one in Norwich.

Business Centres

The turnover for the year ended 31 March 2015 in respect of these properties was £3.67m this compares with £3.1m for 2014 an increase of 18.4%. Furthermore the occupancy percentage at the year end was 82.15%, up from 81.68% as at 31 March 2014 with the total number of occupants being 458 (2014: 418)

Investment Portfolio

The properties that make up the remainder of the portfolio are a mixture of retail and office premises with a small percentage being industrial units. These properties are reviewed on a regular basis to maximise returns.

Acquisitions

In terms of acquisitions your group has been very active and in addition to the two properties that were mentioned in my last year's report at Newcastle-Under Lyme and Docklands the Group completed on three further acquisitions. A 34,000 sq ft freehold office building in South Wales, a 2,700 sq ft Retail Unit with residential above in Banbury and a 71,000 sq ft industrial estate in Southend.

Furthermore, post the year end there have been two more freehold acquisitions one a 35,500 sq ft office building in Dudley and the other also an office building of a similar size but based in Kensington. The substantial Kensington investment is obviously particularly exciting and full details appear in note 27.

Sales

During the year there has only been one sale a property in Kings Lynn. Prior to the sale agreement was reached with the leaseholder to surrender and this premium together with the sale proceeds resulted in a substantial profit on the original purchase price. Post the year end the Vista Centre in Hounslow was sold in which the Company held in excess of a 30% interest and this also produced a substantial profit

Funding

We continue to enjoy a very strong relationship with The Punjab National Bank and Nationwide Building Society. I am pleased to report that during the year we have arranged an additional working relationship with Santander plc who have assisted in the refinance of five assets in the year. I look forward to the flexibility of working with a broader range of lenders in the coming year.

The Future

I look forward to the coming year with excitement. The market is stronger than it has been for a number of years and that brings its own challenges. However with the continued support of our bankers and our professional advisors I believe we are in a strong position to take advantage of the market opportunities.

My sincere thanks go to my fellow Board members, the management team and the entire staff as they have played a significant role in making the Company a success.

Finally I would like to thank Jas Kalsi who resigned as Company Secretary in November 2014 after 19 years of service. The Board is grateful to Jas for his contribution over the years and I am sure you will join with the Board in wishing him well for the future.



NAZMU VIRANI
EXECUTIVE CHAIRMAN
24TH AUGUST 2015

OUR GROWTH MODEL

The Cygnet model is built on years of experience. The entrepreneurial drive and knowledge of our senior management and board members has enabled us to perfect our growth strategy.



1 Selection

New acquisitions are purchased based on the prospect of both rental and capital growth in the short to medium term. Initial discussions are held by an executive committee and provided there is a unanimous opinion to proceed then the Board are approached for final approval

2 Rental Growth

Each property will have different fundamentals but common to all is the need to let vacant space as quickly as possible and to increase rents as and when the reviews fall due. A diary system is maintained to ensure that both renewals and reviews are dealt with on a timely basis

3 Professional Support

To enhance the attributes of the Board and to ensure a fast and smooth transaction ensues the Group utilizes the services of a few firms of professionals that cover legal, valuation, accountancy and surveying. Due to the relationship that is maintained between the Company and these firms reaction time is extremely fast thus minimising any delays

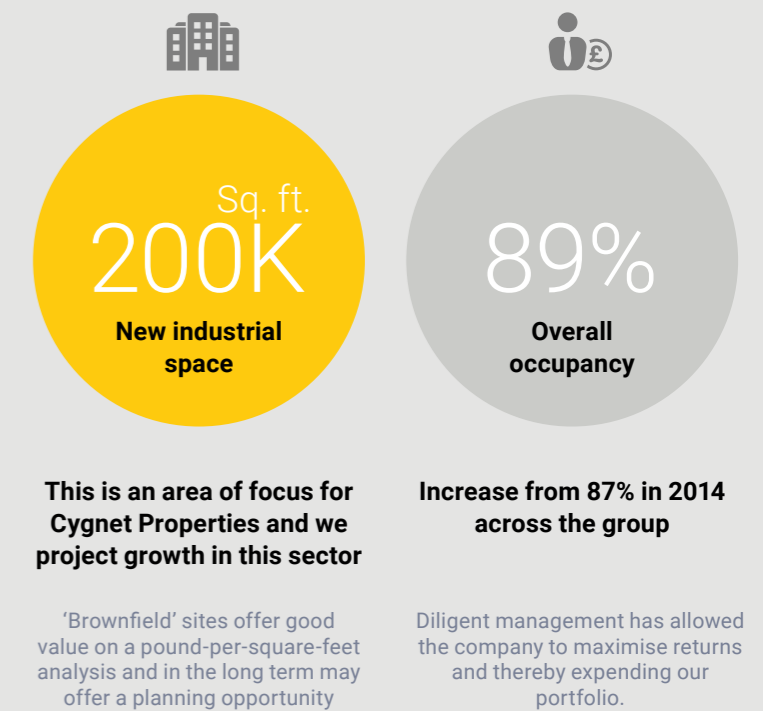
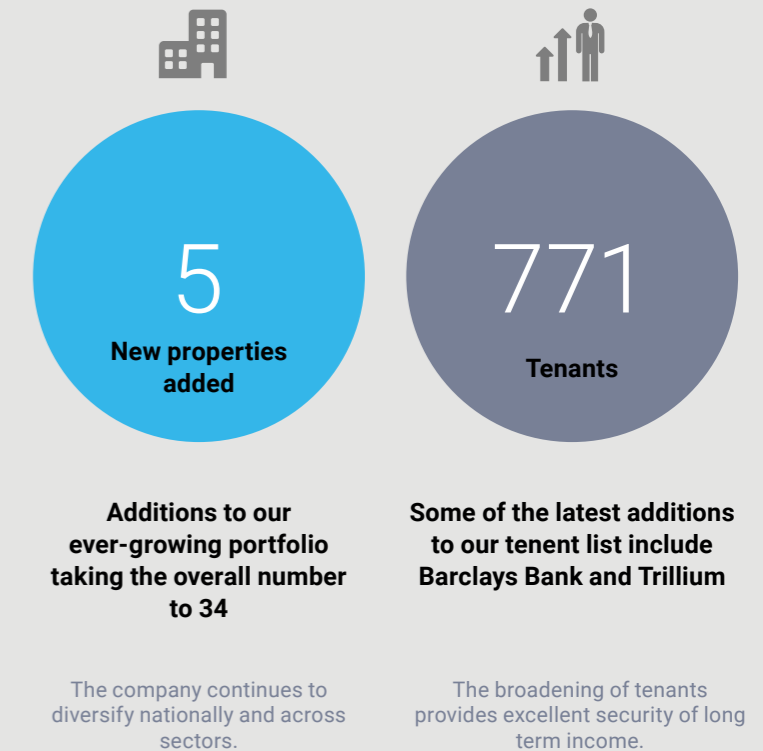
4 Funding

The Group continues to enjoy fantastic support from its range of lenders. As with our professional support reaction time is at a minimum, we work hard to develop relationships with lenders so they have understanding of the Group philosophy

5 Staff

The backbone is vital for the body to be able to carry out its day to day functions. So it is with Cygnet however here the backbone is the staff of the organisation. We have a small but dedicated staff who receive the requisite training where required and who are committed along with your Board to the success of the Group

PORTFOLIO HIGHLIGHTS

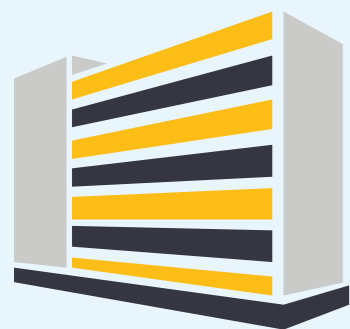


COMPANY FUNDAMENTALS

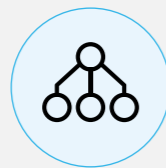
The Cygnet portfolio is widely dispersed geographically and between assets across the commercial property asset class, income is also diversified across many tenants and areas of the economy

KEY FACTS

43% of the group's bank loans have a maturity beyond five years



34 The number of commercial properties comprising of the overall group portfolio



Board MEMBERS

- Cygnet has strong governance with independent non-executives to provide impartial guidance and an external check.
- Diverse range of professional capabilities within the board, including banking and finance, accountancy, management and law.
- The family thread within the company ensures a long term perspective is maintained in decision making



Gearing PUBLIC RELATIONS

- Cygnet has remarkably low gearing for the sector, only 27%.
- The company has sufficient resources to take up any new opportunity that presents, demonstrated by recent cash acquisitions.
- The company continues to maintain good relations with existing lenders and to develop new relationships
- The company has funding support for future investments from existing relationship banks and other financial institutions.



Relationships MANAGEMENT

- Cygnet has a dedicated team that drives the business ensuring the assets are working, fueling further investment.
- We have a broad and loyal tenant base. Our flexibility in meeting their requirements ensures this.
- We have strong working relationships with external professionals and agents that refer tenants to us.
- The company and family have a respected name in the marketplace which unlocks access to deals, debt and joint ventures.



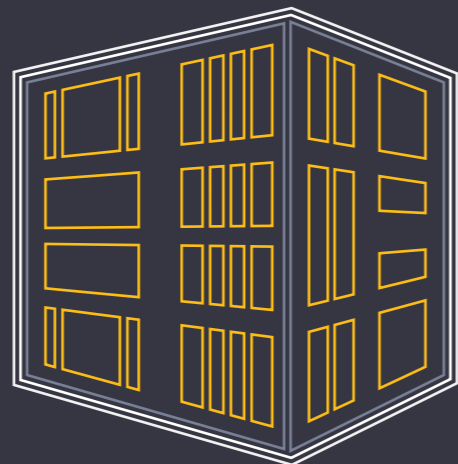
New: Exhibition House - Kensington, London

OUR UK PORTFOLIO



KEY STATISTICS

23%



During the year, rental income increased by 23%. Net asset value per share increased by 36.4% and earnings per share increased by 27% over the last year.

83%
Offices

10%
Retail units

7%
Industrial

89%
portfolio
occupancy

707,000
SQ. FT

New acquisitions and rising. The Cygnet portfolio is widely dispersed geographically and between assets across the commercial property asset class, income is also diversified across many tenants and areas of the economy.

“Another strong performance for the group with improved profits and capital values”



Gearing level

2015	27%
2014	27%
2013	29%

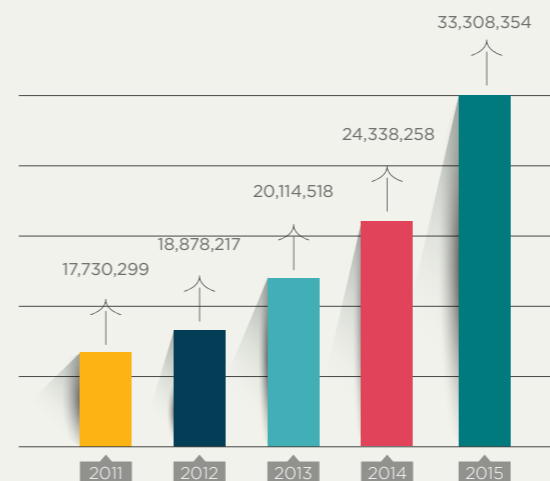
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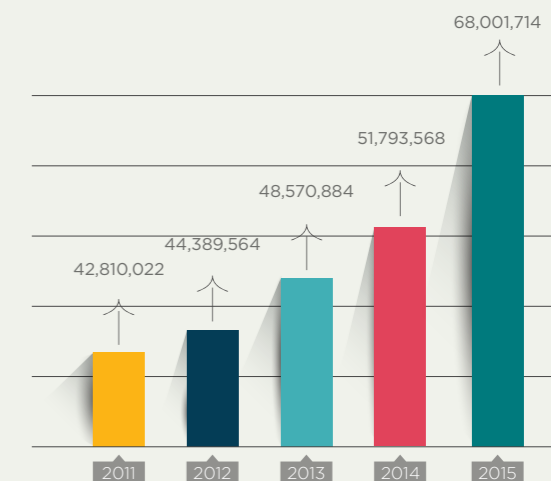
771
TENANTS
OCCUPYING
THE GROUP'S
COMMERCIAL
PORTFOLIO

FINANCIAL INFORMATION GRAPHS

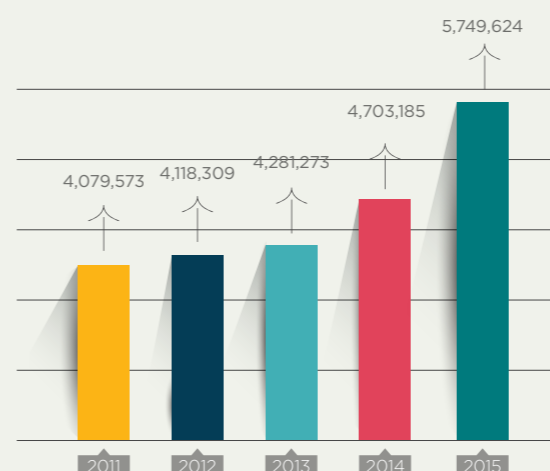
NET ASSETS (£)



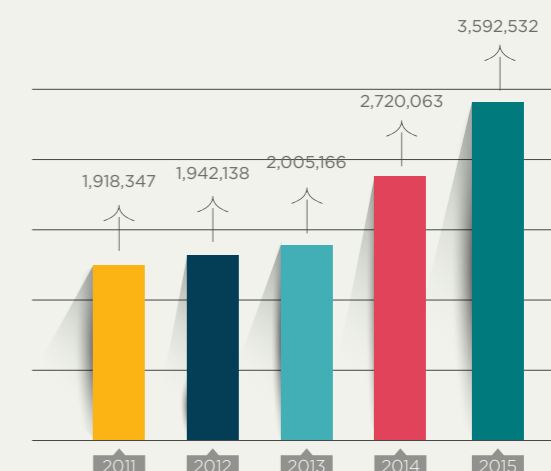
GROSS ASSETS (£)



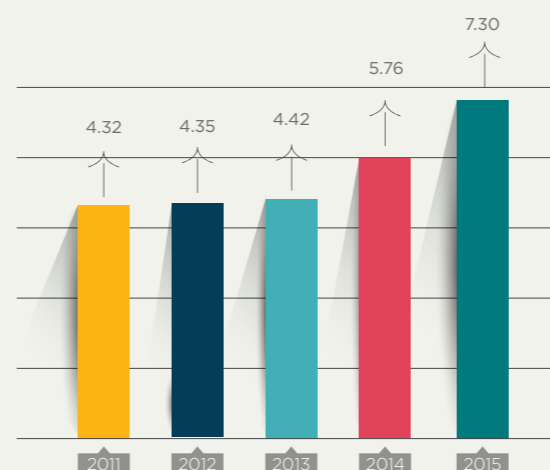
GROSS TURNOVER (£)



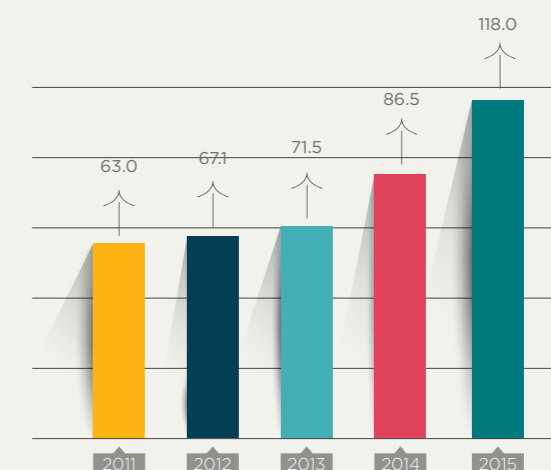
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (£)



EARNINGS PER SHARE (PENCE)



NET ASSET VALUE (PENCE)





Crown House Business Centre

Park Royal, London

- 60,000 sq ft freehold business centre
- Located strategically on highly visible North Circular Road
- Significant rooftop telecoms income
- Multi let to in excess of 100 tenants



Riverside Court Merthyr Tydfil

Wales

- 34,000 sq. ft. freehold office building
- Purchased vacant
- Now partly tenanted
- High yielding when fully let

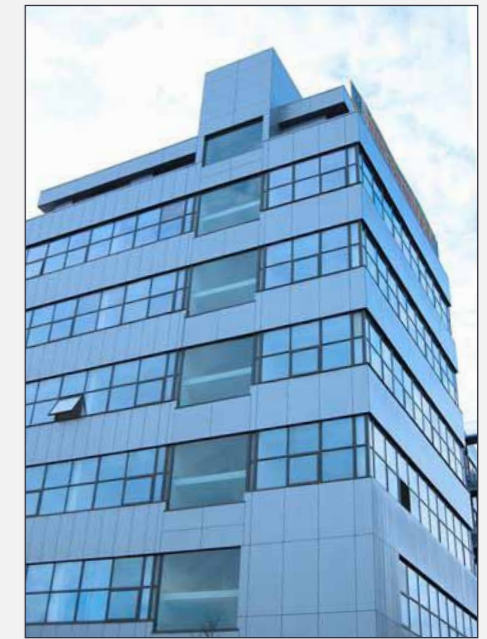


New Acquisition

Sheridan House Business Centre

Brighton & Hove

- Freehold Multi-Let Office Investment in affluent Brighton & Hove
- Substantial uplift in value available through potential conversion to residential
- High demand location, consistently been fully let



Unimix House Business Centre

Park Royal, London

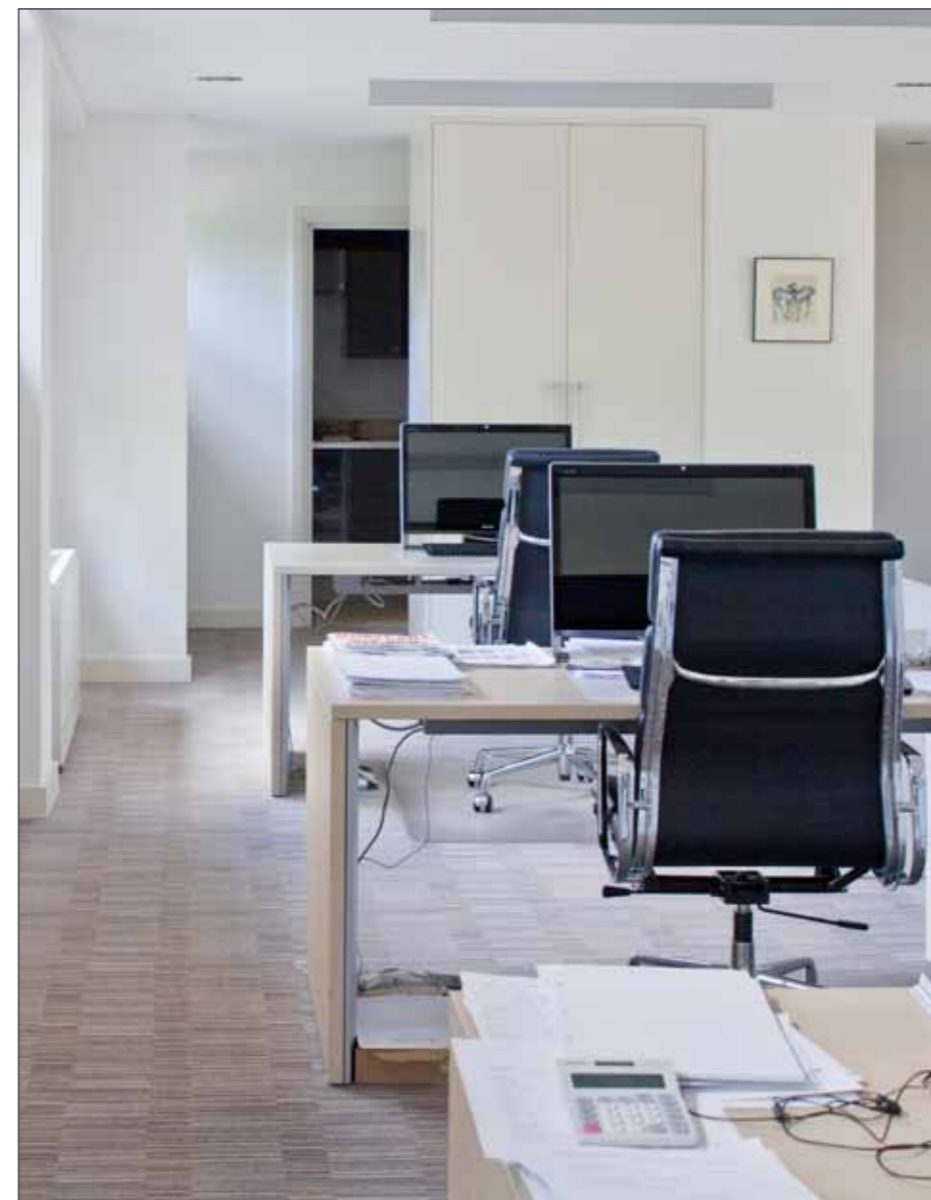
- Freehold 80,000 sq ft showroom, office and residential investment.
- Located on main arterial road into the Park Royal Industrial Estate, the UK's largest industrial and commercial area.
- Substantial on site car parking facility.

New Acquisition

Exhibition House Business Centre

London

- 35,000 sq. ft. freehold office building
- Situated in heart of Kensington London
- Fully let
- Considerable uplift on income available





King Street
Hammersmith, London

- Freehold property comprising a mix of retail, office and residential
- Valuable parking facility
- Affluent West London suburb



High Street
Banbury, Oxfordshire

- 2,700 sq. ft. freehold retail with residential above
- Fully let to countrywide restaurant chain
- Major Refurbishment of residential about to be undertaken



New Acquisition



Threshold and Union House
Shepherd's Bush

- Prime freehold located on Shepherd Bush Green, fully let to a mix of SME's
- Adjacent to new 4 Star Deluxe Dorsett Hotel and 2 minutes walk to first class shopping experience of Westfield White City
- Tremendous redevelopment potential in arguably the most improved area of London
- 40,000 sq ft with possibility to add further floors

Newcastle-under-Lyme

Staffordshire

- High yielding freehold retail and office investment
- Substantially occupied by the trusted covenants of Barclays Bank, Cash Converters and The Secretary of State for Employment (Trillium)
- Busy High Street location adjacent to town centre market



New Acquisition

Rowlands Road

Worthing

- Fully let parade of shops
- Quality local covenants
- Well established occupants with very low tenant turn over



Humberstone House

Leicester

- Freehold office building recently refurbished.
- Centrally located adjacent to pedestrianised prime retail offering
- Predominantly leased to the national covenant of Intraining



New Acquisition

The Mosaic Limehouse

Docklands

- Long leasehold retail and restaurant investment comprising the ground floor commercial space of a St James luxury residential development
- Recently acquired at double digit yield
- Located in close proximity to the commercial centres of The City and Canary Wharf





Peel House

Morden

- High Street location above Sainsbury's supermarket
- Fully occupied, providing cost effective office space predominantly to start up enterprises



Grainger Road Industrial Estate

Southend on Sea

- 71,000 sq ft freehold Industrial Estate
- Multi-let
- High yielding



New Acquisition



Chapel Road

Worthing

- Freehold retail and office investment located in prime retail location
- Affluent Sussex town
- Predominantly leased to undoubted covenant of Barclays Bank



Jolyon House

Hounslow

- Freehold business centre offering cost effective office accommodation predominantly to start up enterprises
- In close proximity to Heathrow Airport





Nakivubo Trade Centre

Kampala, Uganda

- Prime commercial location
- Consistent high occupancy
- Tenants include various banks including Barclays



Hounslow High Street

West London

- New institutional lease being negotiated with Poundland
- Potential to convert upper floors to residential and add further floors
- High footfall location



Museum Street

Ipswich

- Freehold retail and office investment located in prime retail location
- Affluent Suffolk town
- Predominantly leased to undoubted covenant of Strutt & Parker



New Acquisition



Challenge House

Croydon

- 40,000 sq ft freehold business centre with substantial parking facility
- Value underpinned by potential residential conversion
- In an area set for substantial improvement due to forthcoming £1 billion redevelopment of Croydon's retail centre by Westfield and Hammerson



Trafalgar House

Dudley

- 35,000 sq. ft. Freehold Office Building in prime location in Dudley
- Double digit yield on purchase
- Sizable opportunity for improvement



New Acquisition

Sackville Place Business Centre

Norwich

- 25,000sq ft of freehold office space
- Fully refurbished
- Multi-let to local businesses



Strategic Report

For financial year ended 31st March 2015

Principal activities

The principal activities of the group continued to be that of property acquisitions for investment and trading.

Results and dividends

The group results for the year ended 31 March 2015 are shown on page 9. The directors recommend a final dividend of 0.30 pence per ordinary share (2014: 0.30 pence per share). This is subject to approval by the shareholders at the Annual General Meeting and therefore has not yet been included in these financial statements as a liability.

Group's position at year end

The directors consider that the financial position of the group and the company at the year end was pleasing. It is a testament to good management that in the current economic climate the group has continued to generate substantial growth in its asset base and increase cash reserves facilitating further acquisitions.

Use of financial instruments

The group does not use any financial instruments except for the bank loans used to purchase properties. Current exposure to the banks in respect of these loans is detailed in note 14 of the financial statements. The total liability to the banks has increased by £2.2m over the past year as a result of borrowings that have been used to refinanced acquisitions originally purchased for cash. Almost 43% of the group's bank loans have a maturity beyond five years.

Future developments

The group continues to refurbish and improve its existing property portfolio as space becomes vacant and suitable opportunities arise. All investments are careful and measured in the light of tenant demand and the competitive landscape, the priority from the existing portfolio is to maintain steady income. The group is poised to take advantage of acquisition opportunities, particularly where there is an undervalued asset that can benefit from the team's key strength of intensively managing vacant and dilapidated property in order to boost asset value. The board remains mindful of the economy and the banks' stringent lending criteria, accordingly it will only proceed with new acquisitions where the right asset is available at the right price. The Board continues to explore the possibilities for a change of use at certain of the sites and if such a strategy were successful we would expect there to be some appreciation in the portfolio from this exercise.

Business review

A review of the business and the results for the year are included within the Chairman's statement.

The key performance indicators for the group include rental income, occupancy levels, net asset value per share, earnings per share and cash flow. During the year, rental income increased by 23%. Net asset value per share increased by 36.4% and earnings per share increased by 27% over the last year. The group generated a positive cash flow of £1,540,968 (2014: £2,345,000) during the year.

Risks and uncertainties

The principal risk and uncertainty facing the group is fluctuation in property values which would affect the net asset value and banking covenants. If there were a decline in our income stream this may prejudice our ability to make payments and also grow the portfolio. Asset values could be affected by constricted availability of bank finance through changes in the regulatory regime or the performance of historic loan books, by over-supply

of commercial property in the sales or lettings market, as well as other factors that may exist at present or in the future, given the market conditions. Revenue may be affected by the failure of tenants, increasing bad debts or changes in market rents on account of supply and competition issues or the performance of the economy.

For the business centre assets the letting profile is short term arrangements of one year that reduce a tenant's barrier to entry and will make an asset cash flow positive in the shortest possible time. Accepting a short commitment on occupancy also avoids the requirement for a rent free period, which would otherwise be customary. Accordingly the group's tenant base has a bias towards small and medium sized enterprises and this may mean that a decline in the economy has disproportionate effect on the group's revenues. It may also be argued that the recovery of the economy will be driven by SME businesses and that the diversification of revenue streams across many tenants and sectors is a strength. Any fall in revenue would in turn prejudice the capital value of the underlying asset. However, in order to mitigate these risks, senior management keep the buildings' occupancy and competitive market under constant scrutiny. The holding of rent deposits, close monitoring of tenants' operations and strict credit control are mechanisms that should minimise the impact of failure by any individual tenant. A further precautionary measure is the group's frequent syndication of acquisitions giving diversified risk among a wider number of assets which is a strength of the Cygnet portfolio as compared with other companies of a similar size. The company is also thought to have lower gearing than many in its peer group. The Board maintains a risk register to monitor all aspects of the company's activities.

The group operates within strict guidelines for interest cover and gearing which are tested on a regular basis and have always remained at a safe margin from the boundary. The group monitors the risk of interest rate fluctuations closely. With interest rates at historic lows, the Board has recently increased the proportion of the loan portfolio which is fixed. The company has also sought to increase access to credit by diversifying and leveraging its relationships with lending banks and institutions. Furthermore, the group remains conservative in its appetite for debt ensuring that even in the current market there is ample equity in the portfolio to satisfy all lender covenants.

Going concern

After making appropriate enquiries and examining those areas which could give rise to financial exposure the directors are satisfied that no material or significant exposures exist and that the group has adequate resources to continue its operations for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the company's and group's financial statements. Further information on the reasons for adopting the going concern basis in preparing the financial statements is set out in note 1.1 to the financial statements.

Properties

The changes in the tangible fixed assets of the group and company and the basis of valuation of properties are set out in note 9 to the financial statements.

Karim Virani
Director

24th August 2015

Director's Report

For financial year ended 31st March 2015

The directors present their annual report and financial statements of the group and the company for the year ended 31 March 2015.

Charitable donations

During the year to 31 March 2015 the group made charitable donations amounting to £12,399 (2014: £11,417).

Directors

The following directors held office during the year:

Nazmu Virani
Rahim Virani
Zul Virani
Shaila Virani
Karim Virani
Robert Towers

Directors' interests

The directors had no interests in the shares of the company or the company's subsidiary companies at 31 March 2015 or on the date on which these financial statements were signed.

There have been no changes in the interests of the directors between 31 March 2015 and the date of approval of this report.

Further details of the ordinary shares of the company are set out in note 16 to the financial statements.

Substantial shareholdings

As at 31 March 2015, the directors are aware of the following substantial interests in 3% or more of the ordinary share capital of the company:

ORDINARY SHARES OF 10P EACH		
	NUMBER	PERCENTAGE
Virani Net Limited*	19,569,577	69.5%
Virani Net Scheme*	5,881,862	20.9%
Dame M. E. Thomas	1,000,000	3.6%

* Companies in which some of the directors have beneficial interests.

over **770** tenants contributing towards the group's revenue across our property portfolio

Director's Report

For financial year ended 31st March 2015

Employees

The directors are committed to maintaining a working environment where employees are individually valued and recognised. Employees receive regular supervision and have opportunities to raise concerns, share ideas and propose new policies for the business.

The directors appreciate their responsibility to encourage and assist in the engagement, training, promotion and personal career development of all employees. The group places value on the involvement of its employees and keeps them informed, not only on matters affecting them as employees, but also on various factors affecting the overall performance and future of the group. This is achieved through both formal and informal meetings as well as an open door policy should any employee have queries that they wish to discuss.

The group is an equal opportunities employer and it is the group's policy to consider applications for employment from all candidates, and to provide training, career progression and promotion as and when warranted.

Statement of responsibilities of those charged with governance

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to the auditors

So far as all of the directors at the time of approval of the report are aware:

1. there is no relevant audit information of which the company's auditors are unaware; and
2. each director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young be re-appointed as auditors of the company and that the directors be authorised to fix their remuneration will be put to the next Annual General Meeting.

By order of the Board

Karim Virani
Director

24th August 2015

Independent Auditors' Report

to the members of Cygnet Properties & Leisure PLC

We have audited the financial statements of Cygnet Properties and Leisure Plc on pages 30 to 34 for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of responsibilities of those charged with governance set out in the directors' report, directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's and group's affairs as at 31 March 2015 and of the group's profit for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Colin Wright (Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

24th August 2015

UHY Hacker Young
Chartered Accountants

Quadrant House,
4 Thomas More Square,
London, E1W 1YW

Consolidated Profit & Loss Account

For financial year ended 31st March 2015

CONSOLIDATED PROFIT & LOSS ACCOUNT		2015	2014
	Notes	£	£
Turnover			
Group and share of joint venture turnover	2	5,749,624	4,703,185
Less: Share of joint venture turnover		(395,505)	(404,474)
Group turnover		5,354,119	4,298,711
Other income		272,760	311,999
Property costs		(1,059,528)	(952,350)
Administrative expenses		(1,103,522)	(946,600)
Group operating profit	3	3,463,829	2,711,760
Share of operating profit of:			
Joint venture	11	200,514	98,605
Associated Companies	10	189,573	434,222
Operating profit including joint venture and associates		3,853,916	3,244,587
Interest receivable	4	314,644	46,782
Interest payable	5	(576,028)	(571,306)
Profit on ordinary activities before taxation		3,592,532	2,720,063
Taxation	6	(800,709)	(750,588)
Profit on ordinary activities after taxation		2,791,823	1,969,475
Minority interests - equity	19	(718,269)	(348,532)
Retained profit for the financial year		2,073,554	1,620,943

All of the above results are derived from continuing operations.

Consolidated Statement of Total Recognised Gains & Losses and Note of Historical Cost Profits & Losses

For financial year ended 31st March 2015

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		2015	2014
		£	£
Retained profit for the year		2,073,554	1,620,943
Share of surplus/(deficit) on revaluation of investment properties:			
- owned properties		6,751,953	2,246,718
- associated companies (note 10)		1,570,570	268,116
- allocation to minority interests		(1,341,525)	172,419
Total recognised gains relating to the year		9,054,552	4,308,196

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES		2015	2014
		£	£
Reported profit on ordinary activities before taxation		3,592,532	2,720,063
Realisation of property revaluation gains		(77,145)	881,165
Historical cost profit on ordinary activities before taxation		3,515,387	3,601,228
Taxation		(800,709)	(750,588)
Minority interests – equity		(718,269)	(348,532)
Historical cost profit for the year retained after taxation		1,996,409	2,502,108

Consolidated Balance Sheet

As at 31st March 2015

CONSOLIDATED BALANCE SHEET		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Intangible assets - negative goodwill	8		(259,553)		(276,338)
<hr/>					
Tangible assets	9		55,125,476		43,276,627
Investments in associated companies	10		4,689,367		3,933,467
Investment in joint ventures:	11				
Share of gross assets		1,117,875		1,238,895	
Share of gross liabilities		(102,477)		(83,406)	
			1,015,398		1,155,489
			60,570,688		48,089,245
<hr/>					
Current assets					
Debtors	12	2,692,175		506,440	
Cash at bank and in hand		4,738,851		3,197,883	
		7,431,026		3,704,323	
<hr/>					
Creditors:					
Amounts falling due within one year	13	(8,623,875)		(7,570,674)	
<hr/>					
Net current liabilities			(1,192,849)		(3,866,351)
<hr/>					
Total assets less current liabilities			59,377,839		44,222,894
<hr/>					
Creditors:					
Amounts falling due after more than one year	14	(18,218,364)		(14,032,297)	
Provision for liabilities and charges	15	(483,652)		(422,217)	
Minority interests	19	(7,367,469)		(5,430,122)	
<hr/>					
Net assets			33,308,354		24,338,258
<hr/>					
Capital and reserves					
Called up share capital	16	2,815,199		2,815,199	
Share premium account	17	1,924,769		1,924,769	
Revaluation reserve	17	16,410,852		9,352,709	
Capital redemption reserve	17	822,831		822,831	
Profit and loss account	17	11,334,703		9,422,750	
<hr/>					
Shareholders' funds - equity interests	18		33,308,354		24,338,258

The financial statements were approved by the Board on 24 August 2015.
Nazmu Virani, Chairman
Company No. 03325149

Company Balance Sheet

As at 31st March 2015

COMPANY BALANCE SHEET		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		151,120		145,984
Investments in associated and subsidiary undertakings	10		11,180,506		11,644,779
Investments in joint ventures	11		33,718		145,133
			11,365,344		11,935,896
<hr/>					
Current assets					
Debtors	12	2,106,441		123,068	
Cash at bank and in hand		2,018,467		948,911	
		4,124,908		1,071,979	
<hr/>					
Creditors:					
Amounts falling due within one year	13	(5,504,905)		(3,487,989)	
<hr/>					
Net current liabilities			(1,379,997)		(2,416,010)
<hr/>					
Total assets less current liabilities			9,985,347		9,519,886
<hr/>					
Creditors: amounts falling due					
after more than one year	14	(1,603,854)		(1,424,591)	
Provisions for liabilities and charges	15	(2,990)		(1,360)	
			8,378,503		8,093,935
<hr/>					
Capital and reserves					
Called up share capital	16	2,815,199		2,815,199	
Share premium account	17	1,924,769		1,924,769	
Capital redemption reserve	17	822,831		822,831	
Profit and loss account	17	2,815,704		2,531,136	
<hr/>					
Shareholders' funds			8,378,503		8,093,935

The financial statements were approved by the Board on 24 August 2015.
Nazmu Virani, Chairman
Company No. 03325149

Consolidated Cash Flow Statement

For financial year ended 31st March 2015

CONSOLIDATED CASH FLOW STATEMENT		2015		2014	
	Notes	£	£	£	£
Net cash inflow from operating activities	20		2,155,332		2,899,542
Returns on investments and servicing of finance					
Interest received		20,030		31,005	
Interest paid		(338,879)		(327,503)	
Dividend from associated companies		26,170		697,483	
Dividends paid		(82,206)		(83,179)	
Dividends paid to minority interest		(122,448)		(110,100)	
Net cash (outflow) / Inflow from returns on investments and servicing of finance					
			(497,333)		207,706
Corporation tax paid			(459,070)		(167,837)
			1,198,929		2,939,411
Capital expenditure					
Purchase and refurbishment of properties		(5,446,578)		(393,081)	
Purchase of other tangible fixed assets		(9,273)		(40,000)	
Proceeds on sale of properties		350,000		1,807,790	
Net cash (outflow) / Inflow from capital expenditure					
			(5,105,851)		1,374,709
Net cash inflow before management of liquid resources and financing					
			(3,906,922)		4,314,120
Financing					
Receipts from / repayment of bank loans		2,208,925		(1,036,534)	
Loans received / granted to/from associated companies (net)		687,107		(922,085)	
Receipt of loans from related parties		2,274,200		443,108	
Repayment of loan from Joint Venture		277,658		-	
(Repayment) of other loans		-		(453,737)	
Net cash inflow / (outflow) from financing					
			5,447,890		(1,969,248)
Increase in cash	22		1,540,968		2,344,872

Notes To The Financial Statements

For financial year ended 31st March 2015

1. Accounting policies

The significant accounting policies which have been consistently applied in preparing the financial statements are as follows:

1.1 Basis of preparation

Basis of accounting
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards.

Going concern

The company and group are financed partly by equity and partly by way of banking facilities. The group is therefore dependent upon its bankers and shareholders for continuing financial support. At 31 March 2015, the group's current liabilities exceeded its current assets by £1.2 million (2014: £3.9 million).

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. For this purpose, they have prepared projected cash flow information for the current financial year and part of the following financial year, covering the period to September 2016, being approximately 13 months from the date of approval of these financial statements. In addition, the directors are not aware of any likely events, conditions or business risks beyond this period that may cast significant doubt on the group's ability to continue as a going concern. They have also considered the market values of the group's properties, the financial support of its bankers and the continuation of available banking facilities in the current economic climate. On the basis of this, the directors have reasonable expectations that the group has adequate resources to continue in operational existence for the foreseeable future and are satisfied. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary companies and have been prepared by using the principles of acquisition accounting. The results of any subsidiaries acquired during the year are included in the consolidated profit and loss account from the date of their acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

1.3 Joint ventures

Interests in joint ventures are accounted for using the gross equity method, as required by Financial Reporting Standard 9 "Associates and Joint Ventures" ("FRS 9"). The group's share of the gross assets and gross liabilities of its joint ventures are disclosed in the group balance sheet. The

group's share of joint venture operating profit, net interest payable and taxation are included in the consolidated profit and loss account.

1.4 Associated companies

Companies, other than subsidiary companies, in which the group has an investment and over which it exerts significant influence but does not control, are treated as associated companies.

As required by FRS 9, the group's share of profits less losses of the associated companies is included in the consolidated profit and loss account, and the group's share of its net assets or liabilities is included in the consolidated balance sheet. These amounts are primarily taken from the latest audited financial statements of the companies concerned, which have the same accounting reference date.

1.5 Goodwill

Goodwill is the difference between the amount paid on the acquisition of a subsidiary and the aggregate fair value of its separable net assets. Goodwill is capitalised as an intangible fixed asset and is amortised in equal annual instalments over its estimated useful economic life. A further charge is made for any impairment in the value of goodwill. If a subsidiary undertaking is subsequently sold, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale.

1.6 Turnover and profit recognition

Turnover represents amounts receivable from gross rents charged to tenants and the invoice value of other goods and services supplied, net of value added tax. Rental income is recognised once space is provided to tenants.

Purchases and sales of properties are accounted for on completion of contracts.

1.7 Tangible fixed assets and depreciation

Investment properties

Investment properties are stated at their open market value on an existing use basis. Any surplus or deficit arising on valuation is transferred to the revaluation reserve, except for those deficits expected to be permanent, which are charged to the profit and loss account.

Depreciation is provided only on those investment properties that are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable standard, SSAP 19, 'Accounting for Investment Properties', it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance

Notes To The Financial Statements

For financial year ended 31st March 2015

with the standard is necessary for the financial information to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount in respect of this which might otherwise have been shown cannot be separately identified or quantified.

Other tangible fixed assets

Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the reducing balance basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25%
Fixtures & fittings	25%
Motor vehicles	25%

1.8 Refurbishment expenditure

Refurbishment expenditure in respect of major works is capitalised. Interest and other directly attributable costs incurred during the period of refurbishment are capitalised until the property is substantially ready for letting. Maintenance and refurbishment expenditure of a revenue nature is written off to the profit and loss account as incurred.

1.9 Impairment of value

The group undertakes a review for impairment of a fixed asset if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is a higher of net realisable value and value in use, the fixed asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are only recognised when that asset is regarded as recoverable. No provision is made for deferred tax on gains recognised on revaluing properties to their market values unless the company has a binding contract, at the balance sheet date, to sell the revalued assets.

1.11 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.12 Fixed asset investments

The company's fixed asset investments in subsidiary and associated companies are stated at cost less any provisions for impairments.

2. Turnover and segmental information

The total turnover for the year has been derived in the United Kingdom for the group and in Uganda for the joint venture and from the principal activities as follows:

PROPERTY INVESTMENT AND LETTINGS	2015	2014
	£	£
Group	5,354,119	4,298,711
Joint venture	395,505	404,474
	5,749,624	4,703,185

Operating profit before tax and minority interests of the group by principal activities, was as follows:

PROPERTY INVESTMENT AND LETTINGS	2015	2014
	£	£
United Kingdom	3,653,402	3,145,982
Uganda	200,514	98,605
	3,853,916	3,244,587

Net assets of the group, its joint venture and associated companies by principal activities were as follows:

PROPERTY INVESTMENT AND LETTINGS	2015	2014
	£	£
United Kingdom	32,292,956	23,182,769
Uganda	1,015,398	1,155,489
	33,308,354	24,338,258

Notes To The Financial Statements

For financial year ended 31st March 2015

3 Group operating profit

	2015	2014
Group operating profit is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets (note 9)	8,955	9,408
Amortisation of goodwill - net credit (note 8)	16,785	16,784
Impairment of goodwill and associate	-	-
Auditors' remuneration - group audit fees	50,450	46,800
- non-audit services	10,000	10,000
Operating lease rentals	-	2,862
Exchange (gain)/ loss	(8,142)	5,654

The group audit fees consists of £40,050 (2014: £36,000) payable to the parent company auditors and £10,400 (2014: £10,800) payable to another firm of auditors who audit some of the company's subsidiaries. Non-audit services relate entirely to tax services payable to the parent company auditors.

4 Interest receivable

	2015	2014
Company and subsidiaries:	£	£
- bank interest received	20,030	29,686
Associated companies:		
- share of bank interest received (note 10)	10,239	15,779
Other interest	284,375	1,317
	314,644	46,782

5 Interest payable

	2015	2014
Company & subsidiaries:	£	£
On bank overdrafts	14,966	2,437
On bank loans repayable after five years	314,502	323,635
On overdue tax	9,411	1,430
	338,879	327,502
Associated companies - share of bank loan interest (note 10)	237,149	243,804
	576,028	571,306

6 Taxation

The tax charge comprises:

	2015	2014
Current year taxation	£	£
UK corporation tax on profits for the year	595,355	541,945
Adjustments for previous periods - UK	16,284	(23,129)
Adjustments for previous periods - Uganda (note 11)	-	51,650
	611,639	570,466
Share of joint venture's tax (overseas tax) (note 11)	62,947	68,377
Share of associated companies' corporation tax charge (note 10)	64,056	86,481
Total current tax charge	738,642	725,324
Deferred tax		
Deferred tax charge - group (note 12 & 15)	62,067	25,264
Tax charge on profit on ordinary activities	800,709	750,588

The tax charge for the year is reconciled as follows:

	2015	2014
	£	£
Profit on ordinary activities before tax	3,592,532	2,720,063
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	754,432	625,614
Effects of:		
Expenses not deductible for tax purposes	52,426	57,430
Depreciation, impairment and amortisation	4,045	6,654
Capital allowances	(44,964)	(91,886)
Utilisation of tax losses	(66,901)	(68,084)
Adjustments to tax charge in respect of previous periods	16,284	28,521
Other tax adjustments	41,689	31,752
Chargeable disposals	(18,369)	135,323
Total current tax charge	738,642	725,324

Notes To The Financial Statements

For financial year ended 31st March 2015

7 Profit attributable to members of the parent company

As permitted by Section 408 of the Companies Act 2006, the parent company has not presented its own profit and loss account. The profit on ordinary activities after taxation included in the financial statements of the parent company for the year ended 31 March 2015 is £369,024 (2014: £1,156,977).

8 Intangible fixed assets

GROUP	NEGATIVE GOODWILL	POSITIVE GOODWILL	TOTAL
	£	£	£
Cost			
At 1 April 2014 and 31 March 2015	(335,714)	51,371	(284,343)
Amortisation and impairment			
At 1 April 2014	59,376	(51,371)	8,005
Amortisation credit	16,785	-	16,785
At 31 March 2015	76,161	(51,371)	24,790
Net book value			
At 31 March 2015	(259,553)	-	(259,553)
At 31 March 2014	(276,338)	-	(276,338)

Negative goodwill arose in prior years from the dilution of minority interests on the acquisition of a further 10% interest in Spyce Properties Limited and the acquisition of the remaining 66.6% of share capital in Mayfield Estates Limited and the acquisition of the remaining 50% of Alankar Properties Limited which was a 50% associate of the group and both subsequently became 100% subsidiaries.

Positive goodwill has been amortised and negative goodwill is being released to the profit and loss account over the directors' estimate of their useful economic lives of 20 years.

9 Tangible fixed assets

GROUP	INVESTMENT PROPERTIES	PLANT AND MACHINERY	FIXTURES & FITTINGS	TOTAL
	£	£	£	£
Cost or valuation				
At 1 April 2014	43,250,084	26,889	335,045	43,612,018
Additions	5,446,578	-	9,273	5,455,851
Revaluations	6,751,953	-	-	6,751,953
Disposals	(350,000)	-	-	(350,000)
At 31 March 2015	55,098,615	26,889	344,318	55,469,822
Depreciation				
At 1 April 2014	-	26,468	308,923	335,391
Charge for the year	-	105	8,850	8,955
On disposals	-	-	-	-
At 31 March 2015	-	26,573	317,773	344,346
Net book value				
At 31 March 2015	55,098,615	316	26,545	55,125,476
At 31 March 2014	43,250,084	421	26,122	43,276,627

The group purchased five investment properties during the period ended 31 March 2015, at a cost of £5.4m million. The remaining additions in the period relate to capitalised improvements on existing group investment properties. The group owned nineteen freehold investment properties and two leasehold investment properties at 31 March 2015.

The total amount of loan interest and directly attributable overhead expenditure capitalised in the properties' costs to date is £647,251 (2014: £647,251) and £299,361 (2014: £299,361) respectively. No interest or overhead expenditure has been capitalised during the year.

The investment properties are valued on an open market basis as at 31 March 2015 by the directors. The directors' valuations have been made after taking into account external valuations which were carried out by an independent professional valuer for some of the group's properties during the year.

Accordingly, in the directors' opinion, the carrying values of the group's properties as at 31 March 2015 which are based on the directors' valuation are not significantly different from the open market values of those properties as at that date.

Notes To The Financial Statements

For financial year ended 31st March 2015

9 Tangible fixed assets (continued)

COMPANY	FREEHOLD INVESTMENT PROPERTIES	FIXTURES & FITTINGS	TOTAL
	£	£	£
Cost			
At 1 April 2014	142,460	68,648	211,108
Additions		8,023	8,023
At 31 March 2015	142,460	76,671	219,131
Depreciation			
At 1 April 2014	-	65,124	65,124
Charge for the year	-	2,887	2,887
At 31 March 2015	-	68,011	68,011
Net book value			
At 31 March 2015	142,460	8,660	151,120
At 31 March 2014	142,460	3,524	145,984

No fixed assets were held under finance leases or hire purchase contracts by the group or the company.

10 Fixed asset investments

The group's investments in associated companies at 31 March 2015 were as follows:

GROUP	ASSOCIATED COMPANIES
	£
Shares	
At 1 April 2014 and at 31 March 2015	4,556
Loans	
At 1 April 2014	3,238,713
Loans issued in year (net)	(687,107)
At 31 March 2015	2,551,606
Share of retained profits	
At 1 April 2014	416,773
Net share of profit for the year (see below)	(101,393)
Dividend received from the associates	(26,170)
At 31 March 2015	289,210
Share of revaluation of associated companies' properties	
At 1 April 2014	273,425
Share of profit on revaluations of associated companies' properties in year (note 17)	1,570,570
At 31 March 2015	1,843,995
Net book value	
At 31 March 2015	4,689,367
At 31 March 2014	3,933,467

Notes To The Financial Statements

For financial year ended 31st March 2015

10. Fixed asset investments (continued)

The company's investments in subsidiary and associated companies at 31 March 2015 were as follows:

COMPANY	ASSOCIATED COMPANIES	SUBSIDIARY COMPANIES	TOTAL
	£	£	£
Shares			
1 April 2014	4,556	1,774,479	1,779,035
Additions	-	56	56
Impairment	-	(432)	(432)
At 31 March 2015	4,556	1,774,103	1,778,659
Loans			
At 1 April 2014	3,238,714	6,627,030	9,865,744
Granted in year	22,000	1,628,990	1,650,990
Repayment in year	(709,108)	(1,405,779)	(2,114,887)
At 31 March 2015	2,551,606	6,850,241	9,401,847
Net book value			
At 31 March 2015	2,556,162	8,624,344	11,180,506
At 31 March 2014	3,243,270	8,401,509	11,644,779

10 Fixed asset investments (continued)

The company's subsidiary and associated companies as at 31 March 2015 were as follows:

SUBSIDIARY COMPANIES	PRINCIPAL ACTIVITY	% OF ORDINARY SHARE CAPITAL HELD
Main Developments Limited	Property investment	100%
Dartbank Limited	Property investment	100%
Crownprize (Brentford) Limited	Dormant	100%
New Enterprise Limited	Property investment	100%
Storey's Gate Property Limited	Property investment	100%
Zone Estates Limited	Property investment	100%
Steelgate Limited	Property investment	100%
Acre Homes Limited	Property investment	100%
Mayfield Estates Limited	Property investment	100%
C & A Engineering Limited	Property investment	100%
Sunnyvale Properties Limited	Property investment	100%
Finetech Limited	Property investment	100%
Alankar Properties Limited	Property investment	100%
Ipswich Properties Limited	Property investment	100%
Parkview Basingstoke Properties Ltd	Property investment	100%
Dynamo Estates Ltd	Property investment	100%
Mosaic Docklands Ltd	Property investment	100%
Aerial Properties Limited	Property investment	100%
Mountsky Limited	Property investment	100%
Dreamview Limited	Dormant	100%
Fairmount Ventures Limited	Dormant	100%
Unimix Properties Limited	Property investment	50%
Willowland Limited	Property investment	50%
Spyce Properties Limited	Property investment	40%
Somervale Limited	Property investment	50%

ASSOCIATED COMPANIES	PRINCIPAL ACTIVITY	% OF ORDINARY SHARE CAPITAL HELD
Fenton Estates Limited	Property investment	33.4%
Wise Developments Limited	Property investment	25.0%
Vista Property Investments Limited	Property investment	30.25%
Secured Properties Limited	Property investment	50.0%
Morden Properties Limited	Property investment	22.0%
Cygnnet Properties & Leisure (Europe) Limited	Property investment	25.0%
Hounslow Real Estates Limited	Property investment	25.0%

All of the above companies were incorporated in England except for Dartbank Limited which was incorporated in the Isle of Man and registered at the Registrar of Companies in England and Wales as an overseas branch.

Spyce Properties Limited, Unimix Properties Limited, Willowland Limited and Somervale Limited have been treated as subsidiaries on the grounds that Cygnnet controls the financial and operating policies of these companies with a view to gaining economic benefits from its activities.

Notes To The Financial Statements

For financial year ended 31st March 2015

10 Fixed asset investments (continued)

The group's share of the net assets of the seven associated companies as at 31 March 2015 are shown under investments in the consolidated balance sheet, and comprised:

	£	£
Share of assets:		
Share of fixed assets	8,831,139	
Share of current assets	399,510	
		9,230,649
Share of liabilities:		
Due within one year	(984,738)	
Due after more than one year	(6,106,620)	
		(7,091,358)
		2,139,291
Loans to associates		2,551,606
Goodwill arising on acquisition		(1,530)
Share of net assets representing the group's carrying value of investments in associated companies (see above)		4,689,367

Goodwill comprises investment of £250 and pre-acquisition net assets of £1,780 in respect of Vista Property Investments Limited.

The group's share of the results of the seven associated companies for the year ended 31 March 2015 were as follows:

	£
Share of turnover	1,118,191
Share of operating profits	189,573
Share of interest receivable (note 4)	10,239
Share of interest payable (note 5)	(237,149)
Share of current and deferred taxation (note 6)	(64,056)
Share of losses for the year	(101,393)

11 Investments in joint ventures

The group's investments in joint ventures at 31 March 2015 were as follows:

GROUP	2015	2014
	£	£
Uganda (note i)	1,015,398	1,155,489

COMPANY	2015	2014
	£	£
Uganda (note i)	33,718	145,133

(i) Uganda

The company has a 50% interest in a property with Nadims Limited, a company registered in Uganda and connected with the shareholders of the company. The property is known as Nakivubo Mall and it is situated at 34-38 Nakivubo Road, Kampala, Uganda. The interest in the property is held by a contractual arrangement through a memorandum of understanding agreed between the company and Nadims Limited. Under the contractual arrangement the investors together control the activities of the property which is a separate business in its own right.

	GROUP	COMPANY
	£	£
At 1 April 2014	1,155,489	145,133
Share of profit for the year (see below)	137,567	-
Repayment of Loan	(277,658)	(111,415)
At 31 March 2015	1,015,398	33,718

Notes To The Financial Statements

For financial year ended 31st March 2015

11 Investments in joint ventures (continued)

The group's share of net profits and net assets of the Uganda joint venture as at 31 March 2015 are shown under investment in joint venture in the consolidated balance sheet and comprise:

	£
Share of turnover	395,505
<hr/>	
Share of net profit:	
Share of operating profit	200,514
Share of taxation (note 6) - current year	(62,947)
	137,567
<hr/>	
Share of net assets:	
Share of assets	1,117,875
Share of liabilities - due within one year	(102,477)
	1,015,398

12 Debtors

	2015	2014	2015	2014
	Group	Group	Company	Company
	£	£	£	£
Trade debtors	523,723	339,299	2,031	1,195
Other debtors	2,063,029	88,372	2,037,881	54,962
Prepayments	104,859	78,049	66,529	66,911
Deferred tax	564	720	-	-
	2,692,175	506,440	2,106,441	123,068

13 Creditors: amounts falling due within one year

	2015	2014	2015	2014
	Group	Group	Company	Company
	£	£	£	£
Bank loans (note 14)	1,103,874	886,476	31,007	30,545
Trade creditors	1,503,286	1,716,743	81	5,022
Other creditors	3,044,323	2,519,018	1,468,493	1,144,357
Other taxes and social security costs	87,290	170,804	343	310
Corporation tax payable	776,585	623,540	28,241	-
Amounts due to subsidiary undertakings	-	-	3,669,880	2,092,428
Accruals and deferred income	1,895,348	1,522,834	93,691	84,068
Dividends payable	18,886	16,636	18,886	16,636
Amounts owed to related parties	194,283	114,623	194,283	114,623
	8,623,875	7,570,674	5,504,905	3,487,989

Amounts owed to related parties at 31 March 2015 include £132,268 (2014: £114,623) due to Virani Net Scheme and £62,015 (2014: Nil) due to Virani Net Limited. These loans are interest free.

Notes To The Financial Statements

For financial year ended 31st March 2015

14 Creditors: amounts falling due after more than one year

	2015	2014	2015	2014
	Group	Group	Company	Company
	£	£	£	£
Amount due to related parties	5,353,676	3,159,136	1,263,805	1,053,805
Bank loans (note below)	12,567,726	10,576,199	340,049	370,786
Other loans	296,962	296,962	-	-
	18,218,364	14,032,297	1,603,854	1,424,591
Bank loans maturity analysis				
Repayable within one year	1,103,874	886,476	31,007	30,545
Repayable between one and two years	1,121,876	904,079	31,527	31,048
Repayable between two and five years	5,481,262	2,694,263	96,174	96,247
Repayable in more than five years	5,964,588	6,977,857	212,348	243,491
Total loan debt	13,671,600	11,462,675	371,056	401,331
Included in current liabilities (note 13)	(1,103,874)	(886,476)	(31,007)	(30,545)
Amounts falling due after more than one year	12,567,726	10,576,199	340,049	370,786

The bank loans are secured by legal charges over the group's investment properties and bear interest at 1.1% to 2.25% over LIBOR. Amounts owed to related parties at 31 March 2015 include the following main balances: £224,975 (2014: £224,975) due to Mr. Nadim Virani, £650,000 due to Mrs Y Virani (2014: £500,000), £613,805 due to Mrs A Virani (2014: £553,805), £2,003,290 due to Mrs A Virani and Mrs Y Virani (2014: £Nil) and £1,861,606 due to Halo Estates Limited (2014: £1,880,356). These related party loans are interest free, are unsecured and have no fixed terms of repayment.

15 Provisions for liabilities and charges

DEFERRED TAX	2015	2014	2015	2014
	Group	Group	Company	Company
	£	£	£	£
Amount provided:				
- on accelerated capital allowances	483,651	421,517	2,990	1,360
Amount unprovided:				
- on revaluation of properties	2,798,775	1,486,000	-	-
Full potential liability	3,282,426	1,907,517	2,990	1,360
The movement of the provision for the year is as follows:				
At 1 April	422,217	396,233	1,360	1,530
Acquired with subsidiary	-	-	-	-
Profit and loss charge/(credit) (note 6)	61,435	25,984	1,630	(170)
At 31 March	483,652	422,217	2,990	1,360

16 Share capital

	2015	2014
	£	£
Authorised		
1,000,000,000 ordinary shares of 10p each	100,000,000	100,000,000
5,000 founder shares of 10p each	500	500
	100,000,500	100,000,500
Issued		
28,151,991 ordinary shares of 10p each - fully paid	2,815,199	2,815,199
	2,815,199	2,815,199

Notes To The Financial Statements

For financial year ended 31st March 2015

17. Statement of movements on reserves

GROUP	SHARE PREMIUM ACCOUNT	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	PROFIT AND LOSS ACCOUNT
	£	£	£	£
At 1 April 2014	1,924,769	9,352,709	822,831	9,422,750
Profit retained for the year	-	-	-	2,073,554
Dividends approved in the year	-	-	-	(84,456)
Revaluations in the year:				
- owned investment properties	-	6,751,953	-	-
- share of associated companies	-	1,570,570	-	-
- allocation to minority interest	-	(1,341,525)	-	-
Transfer of revaluation reserve on disposal	-	77,145	-	(77,145)
At 31 March 2015	1,924,769	16,410,852	822,831	11,334,703

COMPANY	SHARE PREMIUM ACCOUNT	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	PROFIT & LOSS ACCOUNT
	£	£	£	£
At 1 April 2014	1,924,769	-	822,831	2,531,136
Profit for the year	-	-	-	369,024
Dividends approved in the year	-	-	-	(84,456)
At 31 March 2015	1,924,769	-	822,831	2,815,704

18. Reconciliation of movements in shareholders' funds

GROUP	2015	2014
	£	£
Profit for the year after taxation	2,073,554	1,620,943
Dividends approved in the year	(84,456)	(84,456)
Net increase in shareholders' funds	1,989,098	1,536,487
Other gains relating to the year – properties' revaluations	6,980,998	2,687,253
Opening shareholders' funds	24,338,258	20,114,518
Closing shareholders' funds	33,308,354	24,338,258

19 Minority interests

The minority interests' balance at 31 March 2015 represented:

	2015
	£
At 1 April 2014	5,430,122
Minority share of profit on Spyce Properties Limited ("Spyce")	504,477
Minority share of movement on revaluation in Spyce	1,245,000
Dividend issued by Spyce to the minority interest	(122,498)
Minority share of profit on Unimix Properties Limited ("Unimix")	135,486
Minority share of profits on Willowland Limited ("Willowland")	77,411
Minority share of the newly issued share capital of Somervale Limited ("Somervale")	50
Minority share of profits on Somervale	895
Minority share of movement on revaluation in Somervale	96,526
At 31 March 2015	7,367,469

20. Reconciliation of operating profit to net cash inflow from operating activities

	2015	2014
	£	£
Group operating profit	3,463,829	2,711,760
Depreciation charges	8,955	9,408
Amortisation credit (net)	(16,785)	(16,784)
Impairment charges	-	36,734
Loss on sale of fixed asset	-	19,546
Increase in debtors	(1,901,515)	(59,891)
Increase in creditors	600,848	198,769
Net cash inflow from operating activities	2,155,332	2,899,542

21. Analysis of changes in net debt

	1 APRIL 2014	CASH FLOWS	31 MARCH 2015
	£	£	£
Net cash:			
Cash at bank and in hand	3,197,883	1,540,968	4,738,851
Debt:			
Bank loans (note 14)	(11,462,675)	(2,208,925)	(13,671,600)
Loan from related party	(3,273,759)	(2,274,200)	(5,547,959)
Other loans	(296,962)	-	(296,962)
	(15,033,396)	(4,483,125)	(19,516,521)
Total net debt	(11,835,513)	(2,942,157)	(14,777,670)

Notes To The Financial Statements

For financial year ended 31st March 2015

22. Reconciliation of net cash flow to movements in net debt

	2015	2014
	£	£
Increase in cash from cash flows	1,540,968	2,344,872
Cash (inflow)/outflow from (increase)/decrease in debt	(4,483,125)	1,047,163
Change in net debt resulting from cash flows	(2,942,157)	3,392,035
Opening net debt	(11,835,513)	(15,227,548)
Closing net debt at 31 March 2015	(14,777,670)	(11,835,513)

23. Employees

	2015	2014
	£	£
Wages and salaries	338,177	281,023
Social security costs	28,731	37,048
	366,908	318,071

The average monthly number of employees (excluding directors) during the year was 26 (2014: 20).

24. Directors' emoluments

	2015	2014
	£	£
Emoluments for qualifying services – salary and fees	107,500	146,198

In addition, the group paid £150,000 (2014: £150,000) to Virani Net Limited (a shareholder of the company) for the services of the remaining directors. Of this balance £100,000 remains in accruals (2014: £50,000) and £nil remains in trade creditors (2014: £10,200). Included within the group balance is £50,000 (2014: £50,000) paid to Virani Net Limited by the company.

25. Capital commitments

At 31 March 2015 the company was committed £625,000 (2014: £Nil) for property acquisitions after the year end, see note 27 for further details.

26. Ultimate controlling party

The company is controlled by some members of the Virani family, some of whom are directors of the company, through their shareholdings in Virani Net Limited and Virani Net Scheme.

27. Subsequent events

In April 2015, the group acquired a freehold property in Dudley through a wholly owned subsidiary, Dreamview Limited, for a price of £625,000.

Also in April 2015 the group exchanged to purchase an interest in a freehold property in the Kensington, London through a wholly-owned subsidiary, Fairmount Ventures Limited, for a price of £12,500,000.

In April 2015, the group sold a 50% interest in Aerial Properties Limited raising £250,000.

In May 2015, Vista Property Investments Limited, an associate of the group, sold their property for £19,250,000.

In June 2015, contracts were exchanged for the sale of the property held in Steelgate Limited for £825,000.

Cygnnet Properties & Leisure PLC (the Company)

Notice of Annual General Meeting

NOTICE is hereby given that the 2015 Annual General Meeting of the Company will be held at Crown House, North Circular Road, Park Royal, London NW10 7PN, on Thursday 24th September 2015 at 12.30 pm for the following purposes:

Ordinary Business

- To receive and adopt the Report of the Directors and the Accounts for the year ended 31 March 2015 and the Auditors' Report thereon.
- To declare a dividend of 0.30 pence per ordinary share of the Company.
- To re-elect the following as directors who retire pursuant to the provisions of the Articles of Association and, being eligible, offer themselves for re-election (to be proposed as separate resolutions):
 - Mr Nazmu Virani
 - Ms Shaila Virani
- To re-appoint UHY Hacker Young as Auditors of the Company to hold office until the conclusion of the next General Meeting at which accounts and reports are laid and to authorise the Directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions of which Resolution 5 will be proposed as an Ordinary Resolution of the Company and Resolution 6 will be proposed as a Special Resolution of the Company:

- That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum nominal amount of £10,000,000 provided that such authority shall expire on the conclusion of the next Annual General Meeting to be held in 2015 unless previously renewed, varied or revoked by the Company in General Meeting save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
- That, subject to the passing of Resolution 5 above, the Directors be and are hereby empowered pursuant to Section 570 and Section 573 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority granted by Resolution 5 above as if Section 561 (1) of the Act did not apply to any such allotment provided this power shall be limited to the allotment wholly for cash:

- of equity securities in connection with a rights issue in favour of Ordinary shareholders or allottees of Ordinary shares where the equity securities respectively attributable to the interests of all Ordinary shareholders or allottees of Ordinary shares are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by or allotted to them; and

- (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £10,000,000

and this authority shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2016 (unless renewed on or before that date) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By Order of the Board

Karim Virani

Director
Dated this 24 August 2015

Registered Office:

Crown House
North Circular Road
Park Royal
London NW10 7PN

- A Member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend, and on a poll, vote instead of him/her. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting at the Meeting should he/she decide to do so.
- form of proxy, to be valid, must be signed and lodged with the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive not later than 48 hours before the time fixed for the Annual General Meeting.

Cygnnet Properties & Leisure PLC (the Company)

Form of Proxy

I/We (Block Capitals)

of


being a Member of the Company hereby appoint the duly appointed Chairman of the Meeting, or failing him

.....

of

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 24 September 2015

I/We desire this proxy to be used in connection with the resolutions to be proposed at the Annual General Meeting as follows:

RESOLUTION	FOR	AGAINST
1. To adopt the Directors' Report and Accounts		
2. To declare a dividend		
3. To re-elect or elect the following as directors:		
a. Mr Nazmu Virani		
 Mrs S Virani		
4. To re-appoint UHY Hacker Young as Auditors		
5. To authorise the Directors pursuant to Section 551 of the Act		
6. To authorise the Directors pursuant to Sections 570 & 573 of the Act		

Please indicate with an "X" in the appropriate box how you wish your vote to be cast.

Number and Class of Shares held

Dated this..... day of..... 2015

Signed:

NOTES

1. A proxy need not be a Member of the Company.
2. A form of proxy, to be valid, must be signed and lodged with the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive not later than 48 hours before the time fixed for the Annual General Meeting.
3. If the shareholder is a corporation and has adopted a common seal, the form must be executed under its common seal and under the hand of some officer or attorney duly authorised in that behalf. If the corporation has not adopted a common seal, the form must be executed in accordance with the Act.
4. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated.





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