



**CYGNET**  
PROPERTIES AND LEISURE PLC

# ANNUAL REPORT

2016



# THE BOARD



**“STRATEGY IS CYGNET’S SPECIALITY,  
INTEGRITY IS CYGNET’S COMMITMENT”**

# CONTENTS

2	Company Information
3	Financial Calendar
4	Board of Directors and Management Team
6	Chairman's Statement
8	Our Growth Model
9	Company Fundamentals
10	Our UK Property Portfolio Map
11	Key Statistics
12	Portfolio Highlights
13	Our Portfolio
34	Strategic Report
35	Directors' Report
37	Independent Auditors' Report
38	Consolidated Income Statement
39	Consolidated Statement of Comprehensive Income
40	Consolidated Statement of Financial Position
42	Consolidated Statement in Changes in Equity
48	Consolidated Cash Flow Statement
49	Notes to the Financial Statements
68	Notice of Annual General Meeting
69	Form of Proxy

Cygnnet Properties & Leisure PLC

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

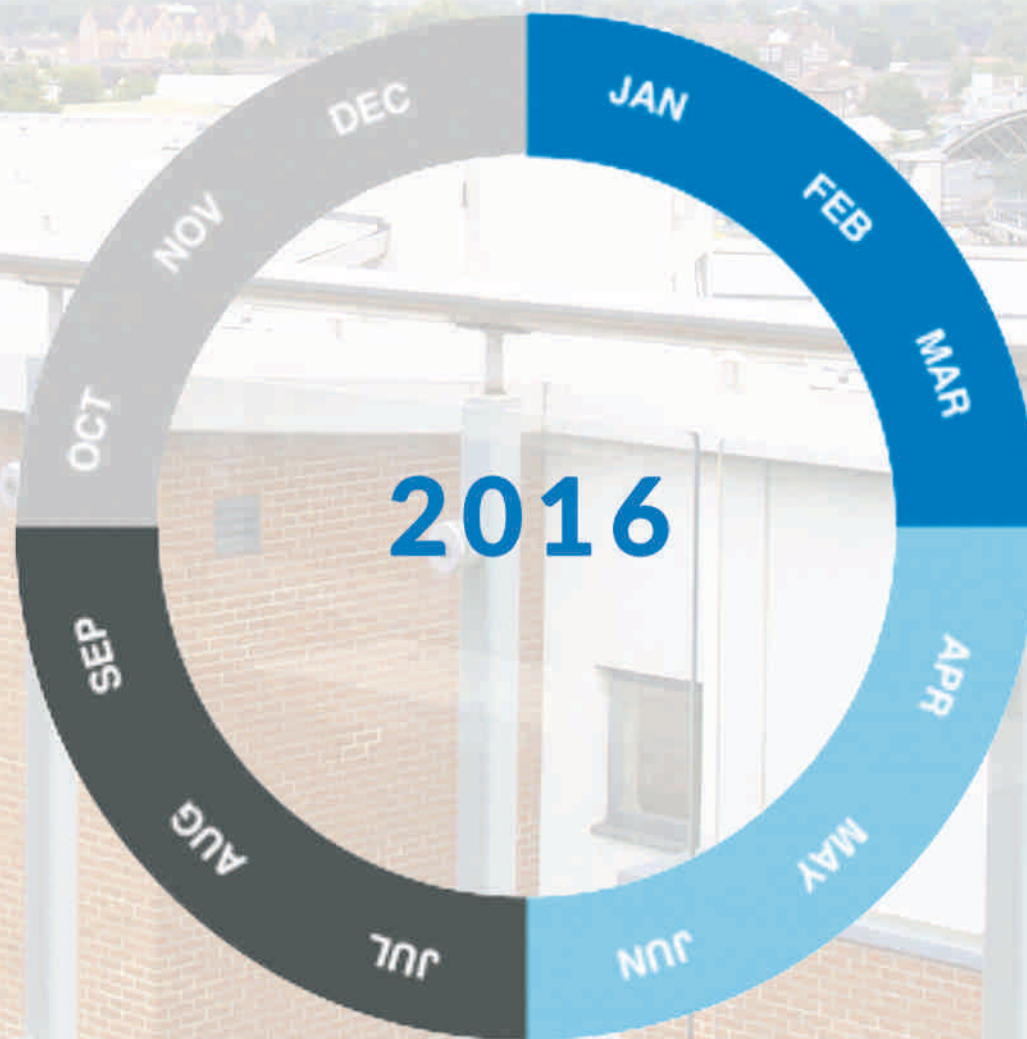


## DIRECTORS, SECRETARY AND ADVISORS

Directors	Nazmu Virani Rahim Virani BSc Zul Virani Karim Virani BA (Law) Shaila Virani BSc, BA Robert Towers ACIB	Executive Chairman Managing Director Director Legal Director Director Non-executive Director
Company Secretary	Pravin Malde BSc (Econ) FCA	
Company Number	03325149	
Registered Office	Crown House North Circular Road Park Royal London NW10 7PN	
Group Auditors	UHY Hacker Young LLP Quadrant House 4 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	Punjab National Bank (International) Ltd 1 Moorgate London EC2R 6JH	Santander UK plc 298 Deansgate Manchester M3 4HH
	Nationwide Building Society 1 Threadneedle Street London EC2R 8AW	HSBC Bank plc 46 The Broadway Ealing London W5 5JZ
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA	



# FINANCIAL CALENDER 2016



Record Date for dividend:  
23rd September 2016

AGM: 29th September 2016

Payment for dividend:  
07th October 2016

# 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



**Zaeem Ud- Din ACMA, FCCA**  
GROUP FINANCIAL CONTROLLER

# MANAGEMENT TEAM



**Shamun Yusufali**  
GROUP ACCOUNTANT  
BA(HONS)



**Mumtaz Ullah**  
ASSISTANT ACCOUNTANT  
MBA IN FINANCE



**Mohammad Sherzad**  
ASSISTANT ACCOUNTANT  
BBA, BSc (HONS)



**Zara Virani MSc**  
PROPERTY MANAGER



**Monica Ciolac**  
PROPERTY MANAGER



**Bhadra Makwana**  
PROPERTY MANAGER



**Neha Patel BSc**  
PROPERTY MANAGER



**Pasha Sadr**  
PROPERTY MANAGER



**Thomas Nemeth**  
PROPERTY MANAGER



**Viraj Visavadia**  
COMPANY SECRETARY  
LLB (law)



**Jamie Brittan**  
ADMINISTRATIVE ASSISTANT

# CHAIRMAN'S STATEMENT

## Results

The year to 31 March 2016 has seen another strong performance with increases in both the reported operating profit before gains on revaluation of properties and the Net Asset Value.

I am pleased to report that for the year ended 31 March 2016 the headline figures are as follows:

The figures marked with an asterisk are before taking into consideration the increase in property values (31 March 2016 £Nil (2015: £5.4m) that are now reported through the Income Statement (please see below). The remainder of the figures are post this inclusion.



*Gearing and interest cover are two of the Key Performance Indicators (KPI) that are tested on a regular basis and at the year end gearing was 28% (2015 29%).*

	2016	2015	
	£'000	£'000	Increase
Turnover	6,258	5,354	16.8%
Operating profit	3,619*	3,480*	3.9%
Profit before tax	18,882*	3,609*	423%
Profit after taxation	7,559	7,431	1.7%
Net Asset Value	38,535	30,556	26.1%
Earnings per share	26.9 pence	26.4 pence	1.9%
Net Asset Value per share	137 pence	108 pence	26.8%

\*These figures are before the gain on revaluation of property.

The Board are recommending a dividend payment of 0.30 pence per share consistent with last year.

In terms of the operating profit, new accountancy standards have been introduced this year that alter the manner in which the increase in property values have to be reported.

In previous years if there was a change in the carrying value of property then the adjustment was made through the group's reserves, however commencing this year, these movements have to be shown on the face of the Income Statement together with a provision for corporation tax that would be payable in the event that the property was sold at that profit.

In order to provide meaningful comparison the comparative figures in respect of the year ended 31 March 2015 have been prepared on an equivalent basis.

## Property Review

The property portfolio continues to perform well across the entire spectrum. Having sold one of the Group's Business Centres (see section on sales) there are now 5 remaining and 4 of these are in London and one in Norwich. As stated in my 2015 report these centres are highly management intensive but generate healthy returns.





#### Investment Portfolio

Retail, office and Industrial make up the portfolio and a KPI is the performance of each of these properties to ensure letting of any vacant space and all rent reviews are carried out on a timely basis to maximise returns. Strong performance in this respect is evidenced by the near 17% increase in turnover.

#### Acquisitions

In my last year's statement I advised that in April 2015 we acquired a freehold 35,500 sq. ft. office building in Dudley and that in September 2015 we acquired a freehold 38,250 sq. ft. office building in Kensington, London and both properties have been integrated well and are performing as per our expectations.

Just prior to the year end a further freehold property was purchased in Stratford, London which is strategically located close to both the City and Canary Wharf. The property is freehold 39,000 sq ft fully let office building with sizeable reversionary potential and an excellent tenant profile including Bank of Tokyo.

Post the year end the Company purchased a one third interest in Halo Estates Limited. Halo owns a 50% interest in Unimix Properties Limited so post this acquisition the Group now owns 66.67% of Unimix House.

#### Sales

As notified in the Subsequent Events Note of last year's accounts the sale of 177 The Vale in London, a property owned by

***Interest cover on gross turnover was 10.6x (2015 9.3x). Net bank debt fell during the year by £5.9m (2015 £2.9m) as a result of the sales that completed during the year under review.***

our 100% subsidiary Steelgate Limited, which exchanged in June 2015 duly completed in October 2015. In May 2015 the Vista Centre was sold. Vista was owned by an associate company in which Cygnet now holds a 50% interest. Both properties were sold at a profit that is included in this year's figures. The other property sale was that of the business centre in Shepherd's Bush which was owned by a subsidiary company that Cygnet had a 40% interest in. This sale took place in January 2016 and the sale price was £30m. The profit on these sales are shown on the Consolidated Income Statement.

In addition to the property sales again as mentioned in last year's accounts a 50% interest in Aerial Properties Limited was sold. This company owns a 34,100 sq. ft. office building in Merthyr Tydfil Wales.

#### Funding

Our relationships with our principal funders Punjab National Bank, Nationwide Building Society and Santander plc remain very strong. We continue to develop new relationships with other banks to widen the range of the lenders in the future. The group also has strong relationships with investors from India, Africa and the Middle East which enable the group to take advantage of opportunities as they arise.

#### The Future

I continue to be enthusiastic about the future and am confident that we will continue to grow both organically and by strategic acquisitions where we can add value. The market remains relatively strong, however as reported in the press, there has been an initial weakening in demand post Brexit but that provides opportunities for acquisition. Due to the continued support of both our bankers and joint venture partners we are well placed to take advantage of opportunities as they arise.

Finally as always 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.

Nazmu Virani  
Chairman

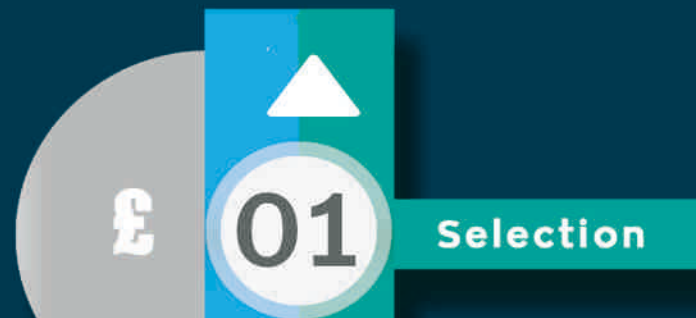
30 August 2016

# OUR GROWTH MODEL

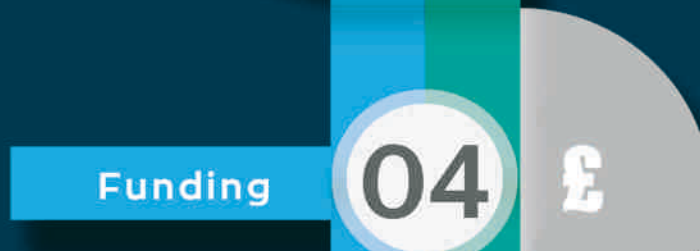
New acquisitions are purchased based on the prospect of both rental and capital growth in the short to medium term. Initial discussions are held by an executive committee and unanimous decision is required to proceed

To enhance the attributes of the Board and to ensure a fast and smooth transaction the group utilises 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

The Staff is the backbone that is vital for the Group to carry out day to day functions of the organisation



Each property has 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 timely basis



The group continues to enjoy 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 may have an understanding of our Group philosophy.





# COMPANY FUNDAMENTALS

**45%**

Of the group's bank loans have a maturity beyond five years.

The number of commercial properties comprising of the overall group portfolio

**34**

## Board MEMBERS



Cygnets has strong governance with an independent non-executive director 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 ensure a long term perspective is maintained in decision making

## Gearing PUBLIC RELATIONS



Cygnets has remarkably low gearing for the sector, only 28%

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 relationships

## Relationships MANAGEMENT



Cygnets has a dedicated team that drives the business ensuring the assets yield are enhanced fueling further investment

We have a broad and loyal tenant base. our flexibility in meeting their requirements ensure this

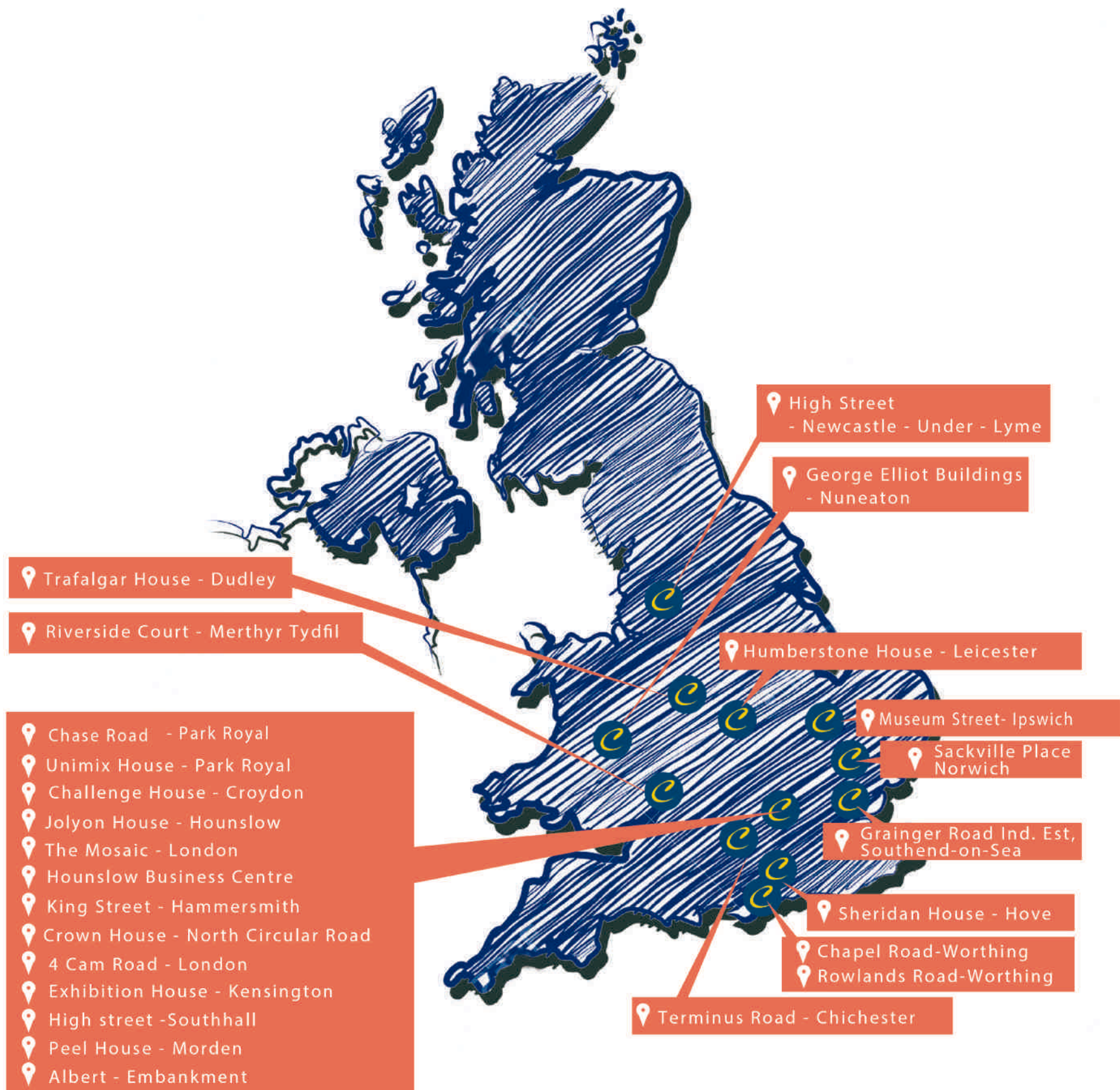
We have strong working relationships with external professionals and agents that refer tenants and investments to us

The company and family have a respected name in the marketplace which allows access to deals, debts and joint ventures

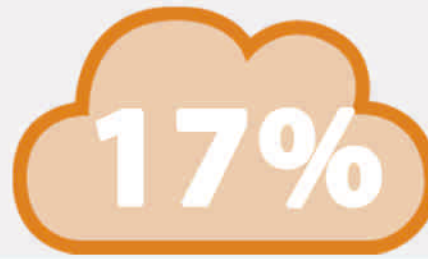
*The Cygnets portfolio is widely dispersed geographically and between assets across the commercial property asset class, income is also diversified across many tenants and areas of the economy*



# OUR UK PORTFOLIO



# KEY STATISTICS



**90% +**  
PORTFOLIO  
OCCUPANCY

During the year, rental income increased by 17%. Net asset value per share increased by 27% and earning per share increased by 2% over the last year

“45% of the group’s bank loans have a maturity beyond five years”



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

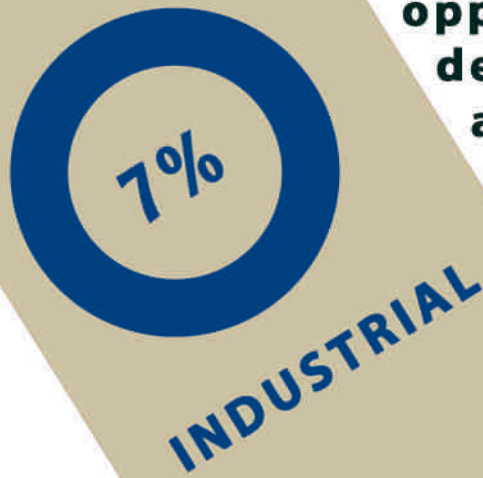
## GEARING LEVEL

2016	28%
2015	29%
2014	27%



Cygnets has remarkably low gearing for the sector, only 28%. The company has sufficient resources to take advantage of opportunities as they arise, as demonstrated by recent cash acquisitions.

“Net asset value per share as at 31 March 2016 improved by 27% to 137p per share”



**600+**  
TENANTS  
OCCUPYING  
THE GROUP'S  
COMMERCIAL  
PORTFOLIO



The company has relationships with local and international joint venture partners when larger deals are identified

**PORTFOLIO HIGHLIGHTS**

**3**  
New properties added



Additions to our ever-growing portfolio taking the overall number to 34

**600,000**  
square feet of office space and rising



**600+**  
Tenants



Some of the latest additions to our tenant list includes Barclays Bank, Trillium and Bank of Tokyo

**90%+**  
overall occupancy

**200,000 sq ft**  
Industrial space



This is an area of focus for Cygnet Properties and we project growth in this sector

Increased from 2015/2016 across the group



**34**  
**PROPERTIES**

**600+**  
**TENANTS**

**27p**  
**EPS**

**137p**  
**NAV**



## Newcastle-Under-Lyme

### Staffordshire

High yielding freehold  
37,000 sq ft retail and  
office investment

Substantially occupied  
by Barclays Bank, The  
Secretary of State for  
Employment (Trillium)

Busy high street location  
adjacent to town centre  
market



## Rowlands Road

### Worthing

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



## Humberstone House

### Leicester

Freehold 30,000 sq ft  
office building  
recently refurbished.

Centrally located  
adjacent to  
pedestrianised prime  
retail location





New  
Acquisition



## Trafalgar House

Dudley  
Freehold 35,000 sq ft  
Office Building in prime location



# Unimix House Business Centre



## Sheridan House Business Centre

### Brighton & Hove

Freehold 22,000 sq ft  
Multi-Let Office Investment  
in Hove

Substantial enhancement  
in value subject to  
conversion to  
residential





## Park Royal, London

Freehold 80,000 sq ft  
showroom, office and  
residential investment.

Located on main arterial  
road in Park Royal,  
the UK's largest industrial  
and commercial area.

Substantial on site car  
parking facility.





## Hounslow High Street

### West London

Freehold retail  
(Poundland) and  
serviced business centre





## Nakivubo Trade Centre

### Kampala, Uganda

Prime commercial location

Consistent high occupancy

Tenants include various banks including Barclays



## Museum Street

### Ipswich

Freehold office investment located in prime office location

Affluent Suffolk town

Leased to Strutt & Parker



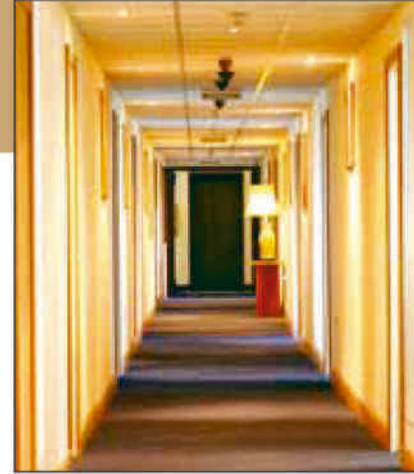
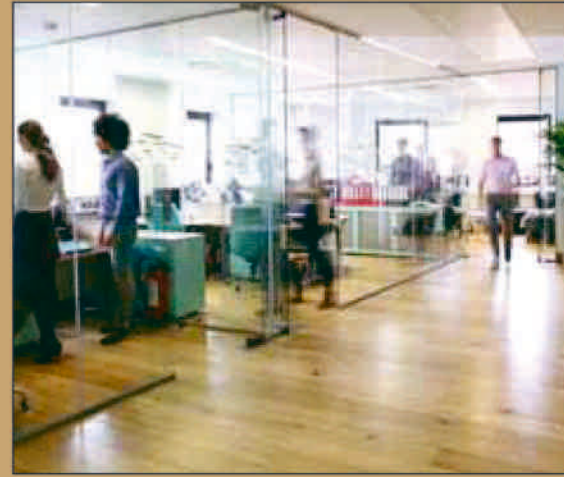


## Riverside Court Merthyr Tydfil

**Wales**

Freehold 34,000 sq. ft.  
office business centre





## Crown House Business Centre

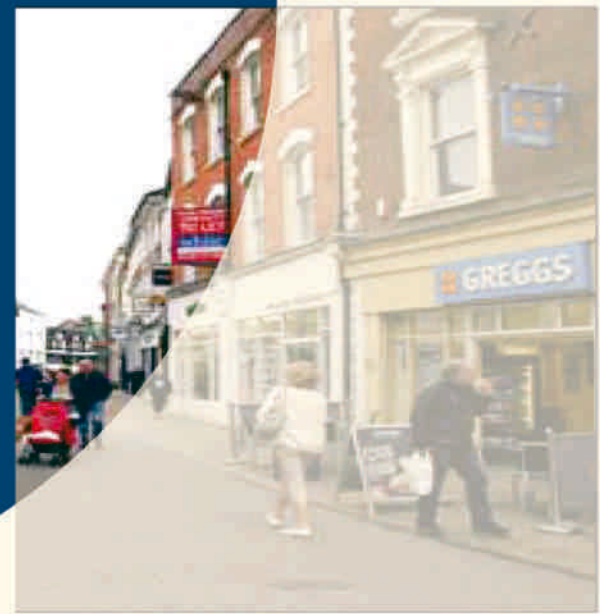
**Park Royal, London**

Freehold 60,000 sq ft  
office business centre

Strategically located  
on North Circular Road

Multi let to in excess of  
100 tenants

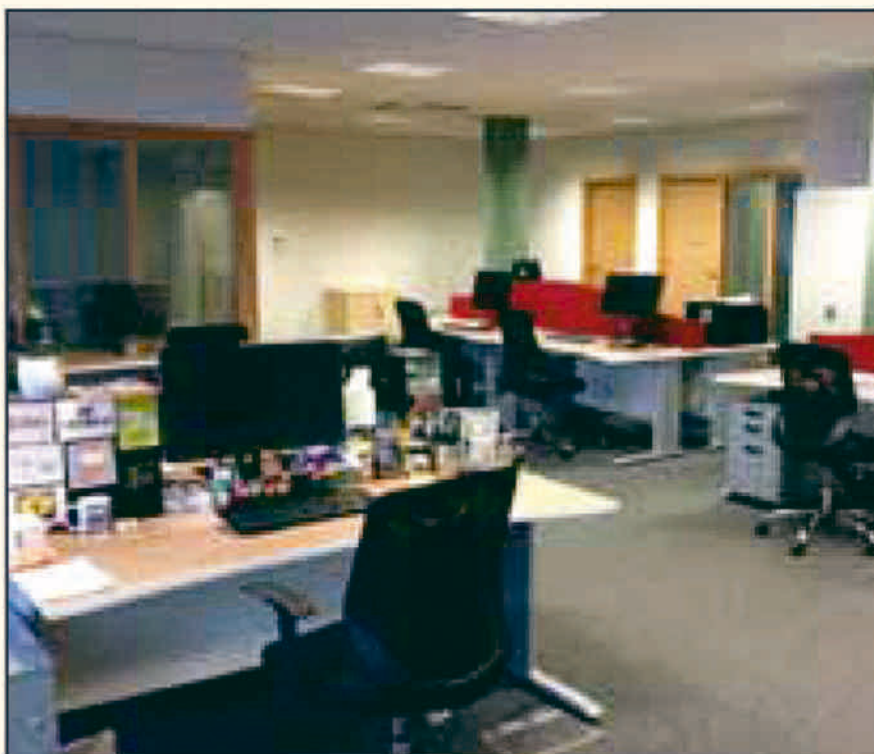




## High Street

### Banbury, Oxfordshire

Freehold restaurant with upper part refurbished to residential units







## King Street

### Hammersmith, London

Freehold property comprising mix of retail, office and residential  
Valuable parking facility, affluent, West London area





## The Mosaic Limehouse

### Docklands

Long leasehold retail and restaurant investment comprising the ground floor commercial space of a St James luxury residential development

Located in close proximity to the City and Canary Wharf





# Exhibition House

Kensington, London





Freehold 38,500 sq.ft.  
comprising 21 office  
suites

Situated in heart of  
Kensington, London



## Challenge House

### Croydon

Freehold 40,000 sq ft office 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



CHALLENGE HOUSE



## Sackville Place Business Centre

### Norwich

Freehold 25,000 sq ft office business centre





## Chapel Road

### Worthing

Freehold retail and office investment located in prime retail location of Sussex town leased to Barclays Bank



## Grainger Road

### Industrial Estate Southend on Sea

Freehold 71,000 sq ft multi let industrial estate





## Jolyon House

### Hounslow

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

## Peel House

### Morden

High street location above Sainsbury's supermarket fully occupied office business centre providing cost effective space to start up enterprises



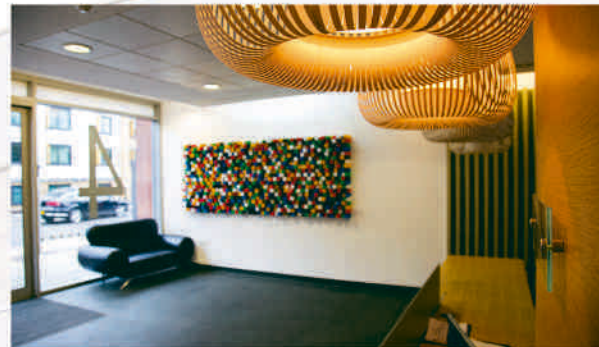


A photograph of a modern, multi-story building with a curved facade. The building features large glass windows and a prominent copper-clad section on the left side. The sky is bright blue with some light clouds. A brown circular overlay in the upper right corner contains the text "New Acquisition" in white. A silver car is parked on the street in front of the building, and a young tree is visible near the corner.

New  
Acquisition



# 4 CAM ROAD, STRATFORD



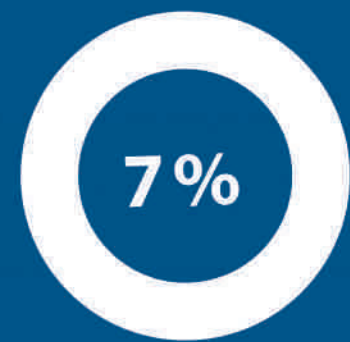
Stratford is a vibrant area of London just minutes from both the City and Canary Wharf. Our recent investment at Cam Road has a range of long term blue-chip tenants and is anchored by Bank of Tokyo, Mitsubishi



**OFFICES**



**RETAIL UNITS**



**INDUSTRIAL**

 **CYGNET**  
PROPERTIES AND LEISURE PLC



## STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual strategic report of the group and the company for the year ended 31 March 2016.

### Principal activities

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

### Review of the business

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 16.88%. Net asset value per share increased by 26.8% and earnings per share increased by 2.1% over the last year. The group generated a positive cash flow of £7,056,314 (2015: £1,540,968) during the year.

### Results and dividends

The group results for the year ended 31 March 2016 are shown on page 38. The directors recommend a final dividend of 0.30 pence per ordinary share (2015: 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 satisfactory. It is a testament to good management that in the current economic climate the group has continued to generate 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 to the financial statements. The total liability to the banks has increased by £1.137m over the past year as a result of borrowings that have been used to refinance acquisitions originally purchased for cash. Almost 45% 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 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 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 we would expect there to be some appreciation in the portfolio from this exercise.

### Principal 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 typically short term arrangements of one year as this reduces 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 market 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 of 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 investment properties are set out in note 9 to the financial statements.

Rahim Virani  
Director

30 August 2016



## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements of the group and the company for the year ended 31 March 2016.

### 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 2016 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 2016 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 2016, 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.

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.



## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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.

### Charitable donations

During the year to 31 March 2016 the group made charitable donations amounting to £20,460 (2015: £12,399).

### Subsequent events

In June 2016 the Company purchased a one third interest in Halo Estates Limited for £894,146. Halo owns a 50% in interest in Unimix Properties Limited. Post this acquisition the Group now owns 66.67% of Unimix House.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to the auditors

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

1. There is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware; and
2. Having made enquiries of fellow directors and the group's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Re-appointment of auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP 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.

On behalf of the Board

### Rahim Virani

Director

30 August 2016



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CYGNET PROPERTIES AND LEISURE PLC

We have audited the financial statements of Cygnet Properties and Leisure Plc on pages 38 to 67 for the year ended 31 March 2016. 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 directors' responsibilities directors 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 (APB'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](http://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 2016 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  
Quadrant House  
4 Thomas More Square  
London E1W 1YW

30 August 2016

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£	£
<b>Group turnover</b>	2	6,258,100	5,354,119
Other income		106,460	272,760
Property costs		(1,643,996)	(1,059,528)
Administrative expenses		(1,102,012)	(1,086,738)
Gain on revaluation of investment properties	9	-	5,411,123
<b>Group operating profit</b>	3	3,618,552	8,891,736
Joint venture - share of profit	11	163,658	200,514
Associated companies:	10		
- share of operating (loss) / profit		(837,061)	189,573
- share of gain on revaluation of investment properties		-	1,270,570
- share gain on disposal of investment properties		(52,488)	-
Profit on disposal of fixed assets	9	15,906,940	-
<b>Profit on ordinary activities before interest and taxation</b>		18,799,601	10,552,393
Interest receivable	4	673,503	314,644
Interest payable	5	(590,691)	(576,028)
<b>Profit on ordinary activities before taxation</b>		18,882,413	10,291,009
Tax on profit on ordinary activities	6	(3,570,393)	(800,709)
<b>Profit for the financial year</b>		15,312,020	9,490,300
<b>Profit for the financial year attributable to:</b>			
Non-controlling interests		7,752,974	2,059,794
Owners of the parent company		7,559,046	7,430,506
		15,312,020	9,490,300

All of the above results are derived from continuing operations.





## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	£	£
Profit for the financial year	15,312,020	9,490,300
Other comprehensive income of group	-	-
Share of other comprehensive income of associates	-	-
<b>Total comprehensive income for the year</b>	<b>15,312,020</b>	<b>9,490,300</b>
<b>Total comprehensive income for the year attributable to:</b>		
Non-controlling interests	7,752,974	2,059,794
Owners of the parent company	7,559,046	7,430,506
	<b>15,312,020</b>	<b>9,490,300</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets - negative goodwill	8		(209,197)		(242,768)
Tangible assets	9		67,344,093		55,125,476
Investments in associated companies	10		1,726,137		1,787,761
Investment in joint ventures	11		1,100,16		1,015,398
			69,961,200		57,685,867
<b>Current assets</b>					
Debtors	12	7,497,282		5,243,781	
Cash at bank and in hand		11,799,781		4,738,851	
			19,297,063		9,982,632
Creditors: amounts falling due within one year	13		(19,908,543)		(13,977,551)
<b>Net current liabilities</b>			(611,480)		(3,994,919)
<b>Total assets less current liabilities</b>			69,349,720		53,690,948
Creditors: amounts falling due after more than one year	14		(13,686,186)		(12,864,689)
Provision for deferred tax	15		(2,563,897)		(3,346,645)
<b>Net assets</b>			53,099,637		37,479,614
<b>Capital and reserves</b>					
Called up share capital	16	2,815,199		2,815,199	
Share premium account	17	1,924,769		1,924,769	
Revaluation reserve	17	9,792,025		13,642,159	
Capital redemption reserve	17	822,831		822,831	
Retained earnings	17	23,179,912		11,351,487	
<b>Equity attributable to owners of the parent company</b>			38,534,736		30,556,445
<b>Non-controlling interests</b>			14,564,901		6,923,169
<b>Total equity</b>			53,099,637		37,479,614

The financial statements were approved by the Board on 30 August 2016 and signed on its behalf by:

Nazmu Virani

Chairman

Company Registration Number 03325149



## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		149,864		151,120
Investments in associated and subsidiary companies	10		1,777,760		1,778,659
Investments in joint ventures	11		33,718		33,718
			1,961,342		1,963,497
<b>Current assets</b>					
Debtors	12	26,839,180		11,508,288	
Cash at bank and in hand		72,769		2,018,467	
		26,911,949		13,526,755	
Creditors: amounts falling due within one year	13	(19,031,752)		(6,768,710)	
			7,880,197		6,758,045
<b>Total assets less current liabilities</b>					
			9,841,539		8,721,542
Creditors: amounts falling due after more than one year	14		(308,790)		(340,049)
Provisions for deferred tax	15		(2,349)		(2,990)
			9,530,400		8,378,503
<b>Net assets</b>					
<b>Capital and reserves</b>					
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
Retained earnings	17		3,967,601		2,815,704
			9,530,400		8,378,503
<b>Shareholders' funds</b>					

The financial statements were approved by the Board on 30 August 2016 and signed on its behalf by:

Nazmu Virani

Chairman

Company Registration Number 03325149

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Revaluation reserve
	£	£	£
<b>Year ended 31 March 2015</b>			
At 1 April 2014	2,815,199	1,924,769	8,091,487
Profit for the year	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	-	-
Investment properties revaluations in year, reserve transfers:			
On group owned properties:			
- gain on valuation	-	-	6,751,952
- deferred tax on gain	-	-	(1,340,830)
- non-controlling interests (NCI)	-	-	(1,341,525)
- deferred tax on NCI	-	-	133,360
On associated companies' properties:			
- share of gain on valuation	-	-	1,570,570
- deferred tax on share of gain	-	-	(300,000)
Equity dividends	-	-	-
Dividends issued by subsidiary	-	-	-
New shares issued by subsidiary	-	-	-
Transfer of revaluation reserve on disposals of properties	-	-	77,145
<b>At 31 March 2015</b>	<b>2,815,199</b>	<b>1,924,769</b>	<b>13,642,159</b>



Capital redemption reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
£	£	£	£	£
822,831	9,422,749	23,077,035	5,119,183	28,196,218
-	7,430,506	7,430,506	2,059,794	9,490,300
-	-	-	-	-
-	7,430,506	7,430,506	2,059,794	9,490,300
-	(6,751,952)	-	-	-
-	1,340,830	-	-	-
-	1,341,525	-	-	-
-	-	133,360	(133,360)	-
-	(1,570,570)	-	-	-
-	300,000	-	-	-
-	(84,456)	(84,456)	-	(84,456)
-	-	-	(122,498)	(122,498)
-	-	-	50	50
-	(77,145)	-	-	-
822,831	11,351,487	30,556,445	6,923,169	37,479,614

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Revaluation reserve
	£	£	£
Year ended 31 March 2016			
At 1 April 2015	2,815,199	1,924,769	13,642,159
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Investment properties revaluations in year, reserve transfers:			
On group owned properties:			
- gain on valuation	-	-	(12,776)
- deferred tax on gain	-	-	350,000
Gain on changes of shareholdings of subsidiary and associate	-	-	-
Equity dividends	-	-	-
Dividends issued by subsidiary	-	-	-
New shares issued by subsidiary	-	-	-
Transfer of revaluation reserve on disposals of properties	-	-	(4,187,358)
At 31 March 2016	2,815,199	1,924,769	9,792,025



Capital redemption reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
£	£	£	£	£
822,831	11,351,487	30,556,445	6,923,169	37,479,614
-	7,559,046	7,559,046	7,752,974	15,312,020
-	-	-	-	-
-	7,559,046	7,559,046	7,752,974	15,312,020
-	-	(12,776)	-	(12,776)
-	(350,000)	-	-	-
-	516,477	516,477	1,006	517,483
-	(84,456)	(84,456)	-	(84,456)
-	-	-	(112,500)	(112,500)
-	-	-	252	252
-	4,187,358	-	-	-
822,831	23,179,912	38,534,736	14,564,901	53,099,637

**COMPANY STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Revaluation reserve
	£	£	£
At 1 April 2014	2,815,199	1,924,769	-
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Equity dividends	-	-	-
At 31 March 2015	2,815,199	1,924,769	-
At 1 April 2015	2,815,199	1,924,769	-
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Equity dividends	-	-	-
At 31 March 2016	2,815,199	1,924,769	-





Capital redemption reserve	Retained earnings	Total equity
£	£	£
822,831	2,531,136	8,093,935
-	369,024	369,024
-	-	-
-	369,024	369,024
-	(84,456)	(84,456)
822,831	2,815,704	8,378,503
822,831	2,815,704	8,378,503
-	1,236,353	1,236,353
-	-	-
-	1,236,353	1,236,353
-	(84,456)	(84,456)
822,831	3,967,601	9,530,400



## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£	£
<b>Net cash inflow from operating activities</b>	18	14,449,706	1,696,262
<b>Cash flows from investing activities</b>			
Purchase and refurbishment of properties		(26,388,504)	(5,446,578)
Purchase of other tangible fixed assets		(1,961)	(9,273)
Proceeds on disposals of properties		30,058,019	350,000
Interest received		668,553	20,030
Dividends from associated companies		-	26,170
<b>Net cash from / (used in) investing activities</b>		4,336,107	(5,059,651)
<b>Cash flows from financing activities</b>			
Receipt/(repayment) of bank loans (net)		1,137,168	2,208,925
Loans received from associated companies (net)		2,576,172	687,107
Issue of loans to related parties		(13,273,969)	-
Receipt of loans from related parties		(1,169,618)	2,274,200
Repayment of loan from joint venture		-	277,658
(Repayment of other loans)		(296,963)	-
Interest paid		(505,333)	(338,879)
Dividends paid		(84,456)	(82,206)
Dividends paid to non-controlling interests		(112,500)	(122,448)
<b>Net cash (used in) / from financing activities</b>		(11,729,499)	4,904,357
<b>Increase in cash and cash equivalents</b>	19	7,056,314	1,540,968
<b>Cash and cash equivalents at beginning of year</b>		4,738,851	3,197,883
<b>Cash and cash equivalents at end of year</b>		<b>11,795,165</b>	<b>4,738,851</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Cygnet Properties & Leisure Plc is a Public Limited Liability Company Incorporated In England. The Registered Office Is Crown House, North Circular Road, Park Royal, London NW10 7PN

### 1. Accounting policies

#### 1.1 Basis of preparation and going concern

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

##### Basis of accounting

The group's financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), as it applies to the financial statements of the group for the year ended 31 March 2016.

The group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how the transition to FRS 102 has affected the previously reported financial position and financial performance of the group is given in note 25.

The financial statements have also been prepared in accordance with the Companies Act 2006 and under the historical cost basis, except for the modification to the fair value basis for the revaluation of investment properties as required by FRS 102.

##### 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 2016, the group's current liabilities exceeded its current assets by £0.6 million (2015: £4.0 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 2017, 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 income statement from the date of their acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

#### 1.3 Joint ventures

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.4 Associated companies

Companies, other than subsidiary companies or joint ventures, in which the group has a participating interest and over which it exerts significant influence but does not control, are treated as associated companies.

In the group financial statements, associated companies are accounted for using the equity method. In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

#### 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 income statement 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

Certain of the group's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

which includes purchase cost and any directly attributable expenditure.

- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the consolidated income statement and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in retained earnings for the year.

The group uses a mix of independent valuation specialists and in-house specialist to determine fair values at each year end. The key assumptions used to determine the fair values of investment properties are further explained in note 9.

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, FRS 102, 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 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. Provision is made for deferred tax on surpluses recognised on revaluing investment properties to their fair values.

### 1.11 Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the group operates (its 'functional currency'). The functional and presentational currency of the company and the group is Pounds Sterling (£). 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 year end date and the gains or losses on translation are included in the income statement.

### 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.

### 1.13 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### 1.14 Loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

### 1.15 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 2. Turnover

The total group turnover for the year has been derived in the United Kingdom from the principal activities of property investment and lettings.

### 3. Group operating profit

	2016	2015
	£	£
Group operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 9)	6,987	8,955
Amortisation of goodwill - net credit (note 8)	(33,571)	(33,571)
Auditors' remuneration - group audit fees	57,500	50,850
- non-audit services	17,500	10,000
Operating lease rentals	-	-
Gain on revaluation of investment properties (note 9 and below)	-	5,411,123

The group audit fees consists of £47,500 (2015: £40,450) payable to the parent company auditors and £10,000 (2015: £10,400) payable to another firm of auditors who audit some of the company's subsidiaries. Non-audit services relate entirely to tax and non-audit accounting services.

There has been no gain or loss on revaluation of investment properties in the current year (2015: £6,751,953 gain, less a deferred tax provision of £1,340,830).

### 4. Interest receivable

	2016	2015
	£	£
Company and subsidiaries:		
- bank interest received	54,277	20,030
Associated companies:		
- share of bank interest received (note 10)	4,950	10,239
- interest from related party	21,651	-
Other interest	592,625	284,375
	673,503	314,644



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 5. Interest payable

	2016	2015
	£	£
Company and subsidiaries:		
On bank overdrafts	1,211	14,966
On bank loans repayable after five years	509,876	314,502
On overdue tax	2,069	9,411
	513,156	338,879
Associated companies – share of bank loan interest (note 10)	77,535	237,149
	590,691	576,028

### 6. Taxation

	2016	2015
	£	£
The tax charge comprises:		
Current year taxation		
UK corporation tax on profits for the year	4,718,278	595,355
Adjustments for previous periods - UK	(48,320)	16,284
	4,669,958	611,639
Share of joint venture's tax (overseas tax) (note 11)	78,889	62,947
Share of associated companies' corporation tax charge (note 10)	(383,030)	64,056
Total current tax charge	4,365,817	738,642
Deferred tax		
Deferred tax (credit)/charge – group (note 15)	(795,424)	62,067
Tax charge on profit on ordinary activities	3,570,393	800,709

The tax charge for the year is reconciled as follows:	2016	2015
	£	£
Profit on ordinary activities before tax	18,882,413	10,291,009
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	3,776,482	2,161,112
Effects of:		
Expenses not deductible for tax purposes	(3,114,225)	(1,354,254)
Depreciation, revaluation and amortisation	202	4,045
Capital allowances	(7,008)	(44,964)
Utilisation of tax losses	(6,091)	(66,901)
Deferred tax not recognised	10,593	-
Adjustments to tax charge in respect of previous periods	(55,215)	-
Chargeable disposals	3,193,453	(18,369)
Other tax adjustments	(227,798)	120,040
Total current tax charge	3,570,393	800,709



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 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 income statement. The profit on ordinary activities after taxation included in the financial statements of the parent company for the year ended 31 March 2016 is £1,236,353 (2015: £369,024).

### 8. Intangible fixed assets

Group	Negative goodwill	Positive goodwill	Total
	£	£	£
<b>Cost</b>			
At 1 April 2015 and 31 March 2016	(335,714)	51,371	(284,343)
<b>Amortisation and impairment</b>			
At 1 April 2015	92,946	(51,371)	41,575
Amortisation credit	33,571	-	33,571
At 31 March 2016	126,517	(51,371)	75,146
<b>Net book value</b>			
At 31 March 2016	(209,197)	-	(209,197)
At 31 March 2015	(242,768)	-	(242,768)

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 income statement over the directors' estimate of the useful economic lives of 10 years.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 9. Tangible fixed assets

Group	Investment properties	Plant and machinery	Fixtures & fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	55,098,615	26,889	344,318	55,469,822
Additions	26,388,504	-	1,961	26,390,465
Disposals	(14,160,620)	-	(35,409)	(14,196,029)
At 31 March 2016	67,326,499	26,889	310,870	67,664,258
Depreciation				
At 1 April 2015	-	26,573	317,773	344,346
Charge for the year	-	79	6,908	6,987
On disposals	-	-	(31,168)	(31,168)
At 31 March 2016	-	26,652	293,513	320,165
Net book values				
At 31 March 2016	67,326,499	237	17,356	67,344,093
At 31 March 2015	55,098,615	316	26,545	55,125,476

The group purchased 3 investment properties during the year ended 31 March 2016, at a cost of £25.6 million. The remaining additions in the year relate to capitalised improvements on existing group investment properties. The group owned 19 freehold investment properties (2015: 19) and 2 leasehold investment properties (2015: 2) at 31 March 2016.

The historical cost of investment properties held at fair values was £53,788,022 at 31 March 2016.

The total amount of loan interest and directly attributable overhead expenditure capitalised in the investment properties' costs to date is £647,251 (2015: £647,251) and £299,361 (2015: £299,361) respectively. No interest or overhead expenditure has been capitalised during the current year.

The investment properties are valued on an open market basis as at 31 March 2016 by a mixture of external independent valuers and by internal specialists. The external independent valuers hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties valued. The internal 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 2016 which are based on the directors'/internal valuations are not significantly different from the open market fair values of those properties as at that date.

During the year ended 31 March 2016, there was no gain on the revaluation of the group's investment properties (2015: £5,411,123). This is shown on the consolidated income statement in accordance with FRS 102 (see notes 1.1 and 25). In the prior year, the net gain comprised a gross revaluation gain of £6,751,953, less a deferred tax provision of £1,340,830,





## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 9. Tangible fixed assets (continued)

Company	Freehold investment properties	Fixtures & fittings	Total
	£	£	£
Cost			
At 1 April 2015	142,460	76,671	219,131
Additions	-	1,211	1,211
At 31 March 2016	142,460	77,882	220,342
Depreciation			
At 1 April 2015	-	68,011	68,011
Charge for the year	-	2,467	2,467
At 31 March 2016	-	70,478	70,478
Net book values			
At 31 March 2016	142,460	7,404	149,864
At 31 March 2015	142,460	8,660	151,120

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



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 10. Fixed asset investments

The group's investments in associated companies at 31 March 2016 were as follows:

Group	Associated companies
	£
<b>Shares</b>	
At 1 April 2015 and at 31 March 2016	4,556
<b>Share of retained profits</b>	
At 1 April 2015	289,210
Net share of (losses)/profits for the year (see below)	(579,103)
Transfer from revaluation reserve on disposal of associated companies' properties in the year	1,483,104
Gain on share buy-back	517,481
At 31 March 2016	1,710,692
<b>Share of revaluation of associated companies' properties</b>	
At 1 April 2015	1,493,995
Transfer of revaluation reserve on disposal of associated companies' properties in the year	(1,483,106)
At 31 March 2016	10,889
<b>Net book values</b>	
At 31 March 2016	1,726,137
At 31 March 2015	1,787,761

During the year ended 31 March 2016, there was no revaluation of the associated companies' investment properties (2015: share was £1,270,570). This is shown on the consolidated income statement in accordance with FRS 102 (see notes 1.1 and 25). In the prior year, the net share of the surplus comprised a gross revaluation surplus share of £1,570,570 less a deferred tax provision of £300,000.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 10. Fixed asset investments (continued)

The company's investments in subsidiary and associated companies at 31 March 2016 were as follows:

Company	Associated companies	Subsidiary companies	Total
	£	£	£
<b>Shares</b>			
1 April 2015	4,556	1,774,103	1,778,659
Additions	-	101	101
Impairments	-	(1,000)	(1,000)
At 31 March 2016	4,556	1,773,204	1,777,760
<b>Net book values</b>			
At 31 March 2016	4,556	1,773,204	1,777,760
At 31 March 2015	4,556	1,774,103	1,778,659



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 10. Fixed asset investments (continued)

The company's subsidiary and associated companies as at 31 March 2016 were as follows:

<i>Subsidiary companies</i>	<i>Principal activity</i>	<i>% share capital held</i>
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 management	100%
Dynamo Estates Ltd	Property investment	100%
Mosaic Docklands Ltd	Property investment	100%
Aerial Properties Limited	Property investment	50%
Mountsky Limited	Property investment	100%
Dreamview Limited	Property investment	100%
Fairmount Ventures Limited	Sub-holding company	100%
Fire Properties Limited	Property investment	50%
Goldark Limited	Sub-holding company	100%
Starling Homes Limited	Property investment	84.5%*
Unimix Properties Limited	Property investment	50%
Willowland Limited	Property investment	50%
Spyce Properties Limited	Property investment	40%
Somervale Limited	Property investment	50%
Fairmount Partnerships	Property investment	60%*
Glory Properties Limited	Dormant	100%
<i>Associated companies</i>	<i>Principal activity</i>	<i>% share capital held</i>
Fenton Estates Limited	Property investment	33.4%
Wise Developments Limited	Property investment	25.0%
Vista Property Investments Limited	Property investment	50%
Secured Properties Limited	Property investment	50.0%
Morden Properties Limited	Property investment	22.0%
Cygnat Properties & Leisure (Europe) Limited	Property investment	25.0%
Hounslow Real Estates Limited	Property investment	25.0%

\*Indirectly held

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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 10. Fixed asset investments (continued)

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

The group's share of the net assets of the seven associated companies as at 31 March 2016 are shown under investments in the consolidated statement of financial position, and comprised:

	£	£
<b>Share of assets:</b>		
Share of fixed assets	3,008,173	
Share of current assets	1,693,650	
		4,701,823
<b>Share of liabilities:</b>		
Due within one year	(1,368,824)	
Due after more than one year	(1,605,332)	
		(2,974,156)
		1,727,667
Goodwill arising on acquisition		(1,530)
Share of net assets representing the group's carrying value of investments in associated companies (see above)		1,726,137

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 2016 were as follows:

	£
Share of turnover	462,692
Share of operating profits	(837,061)
Share of gain on revaluation of investment properties	-
Share of interest receivable (note 4)	4,950
Share of interest payable (note 5)	(77,535)
Share of current and deferred taxation (note 6)	383,030
Share of loss on sale of property	(52,487)
Share of (losses)/profits for the year	(579,103)



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 11. Investments in joint ventures

The group's investments in joint ventures at 31 March 2016 were as follows:

Group	2016 £	2015 £
Uganda (note i)	1,100,167	1,015,398

Company	2016 £	2015 £
Uganda (note i)	33,718	33,718

#### (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 2015	1,015,398	33,718
Share of profit for the year (see below)	84,769	-
At 31 March 2016	1,100,167	33,718

The group's share of net profits and net assets of the Uganda joint venture as at 31 March 2016 are shown under investment in joint venture in the consolidated statement of financial position and comprise:

	£
Share of turnover	459,978
Share of net profit:	
Share of operating profit	163,658
Share of taxation (note 6) - current year	(78,889)
	84,769
Share of net assets:	
Share of net assets/(liabilities)	1,100,167



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 12. Debtors

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Trade debtors	1,062,374	523,723	5,670	2,031
Other debtors	289,822	2,063,029	18,597	2,037,881
Amounts due from subsidiaries	-	-	25,523,021	6,850,241
Amounts due from associated companies	1,236,734	2,551,606	1,236,734	2,551,606
Prepayments	166,803	104,859	55,158	66,529
Deferred tax	465	564	-	-
Amounts due from related parties	4,737,197	-	-	-
Corporation tax	3,887	-	-	-
	7,497,282	5,243,781	26,839,180	11,508,288

Trade debtors are stated after provisions for impairment of £Nil (2015: £Nil).

Amounts owed by group undertakings are interest free, are unsecured and have no fixed terms of repayment.

Amounts due from related parties at 31 March 2016 are mainly due from Bridgestone Estates Limited. These related party debtors are unsecured and have no fixed terms of repayment and carry interest of 3% per annum.

### 13. Creditors: amounts falling due within one year

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Bank loans (note 14)	1,122,582	1,103,874	31,527	31,007
Bank overdraft	4,616	-	-	-
Trade creditors	1,894,923	1,503,286	14,100	81
Other creditors	2,956,557	3,044,323	839,918	1,468,493
Other taxes and social security costs	226,774	87,290	208	343
Corporation tax payable	4,740,270	776,585	99,811	28,241
Amounts due to subsidiary companies	-	-	16,351,323	3,669,880
Amounts due to associated companies	1,261,298	-	1,261,298	-
Accruals and deferred income	3,321,446	1,895,348	98,114	93,691
Dividends payable	-	18,886	10,784	18,886
Amounts owed to related parties	4,380,077	5,547,959	324,669	1,458,088
	19,908,543	13,977,551	19,031,752	6,768,710

Amounts owed to related parties at 31 March 2016 include £114,623 (2015: £132,268) due to Virani Net Scheme and £23,247 (2015: £62,015) due to Virani Net Limited and £224,975 (2015: £224,975) due to Mr. Nadim Virani, £57,403 due to Mrs Y Virani (2015: £650,000), £129,396 due to Mrs A Virani (2015: £613,805), £1,484,577 due to Mrs Y Virani and Mrs A Virani (2015: £2,003,290) and £1,861,606 due to Halo Estates Limited (2015: £1,861,606). These related party loans are interest free, are unsecured and have no fixed terms of repayment.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 14. Creditors: amounts falling due after more than one year

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Bank loans (note below)	13,686,186	12,567,726	308,790	340,049
Other loans	-	296,963	-	-
	13,686,186	12,864,689	308,790	340,049
<b>Bank loans maturity analysis</b>				
Repayable within one year	1,122,582	1,103,874	31,527	31,007
Repayable between one and five years	13,508,613	6,603,138	131,217	127,701
Repayable after five years	177,573	5,964,588	177,573	212,348
Total loan debt	14,808,768	13,671,600	340,317	371,056
Included in current liabilities (note 13)	(1,122,582)	(1,103,874)	(31,527)	(31,007)
Amounts falling due after more than one year	13,686,186	12,567,726	308,790	340,049

The bank loans are secured by legal charges over the group's investment properties and bear interest at 1.1% to 5% over LIBOR.





## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 15. Provision for deferred tax

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Amount provided:				
- on accelerated capital allowances	424,996	483,652	2,348	2,990
- on revaluation of properties	2,138,901	2,862,993	-	-
Full provided liability	2,563,897	3,346,645	2,348	2,990

The movement of the provision for the year is as follows:

At 1 April 2015	3,346,645	1,944,380	2,990	1,360
Income statement (note 6)	(795,424)	62,067	(641)	1,630
Other movements	12,676	(632)	-	-
On revaluation of properties	-	1,340,830	-	-
At 31 March 2016	2,563,897	3,346,645	2,349	2,990

The deferred tax provision in the year of £Nil (2015: £1,340,830; 2014: £1,522,163) has been provided on the revaluation of the group's owned investment properties in accordance with FRS 102. At 31 March 2016 the deferred tax provision on the revaluation of the group's owned investment properties was £2,138,901 (2015: £2,862,993).

### 16. Share capital

Group and company	2016 £	2015 £
<i>Allotted, called-up and fully paid</i> 28,151,991 ordinary shares of 10p each	2,815,199	2,815,199



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 17. Reserves and dividends

#### Reserves

The group has the following reserves, the movements of which in the current and prior years are shown in the statements of changes in equity:

##### *Called-up share capital*

Called-up share capital represents the nominal value of shares that have been issued.

##### *Share premium account*

Share premium records the amount above the nominal value received for shares issued, less transaction costs.

##### *Capital redemption reserve*

This reserve records the nominal value of shares repurchased by the company.

##### *Revaluation reserve (non-distributable)*

The revaluation reserve is used to record increases in the fair value of investment properties and decreases to the extent that such decrease relates to an increase on the same asset.

##### *Retained earnings*

The retained earnings represent all current and prior period retained profits and losses.

#### Dividends

A final dividend will be proposed for approval by shareholders at the forthcoming AGM. As the final dividend has not yet been approved by shareholders it is not included in the financial statements as a liability and it will be accounted for as an appropriation of retained earnings in the year ending 31 March 2017.

### 18. Reconciliation of operating profit to net cash flow from operating activities

	2016 £	2015 £
Group operating profit	3,618,552	8,891,736
Gains (net) on revaluation of investment properties	-	(5,411,123)
Depreciation charges	6,988	8,955
Amortisation credit (net)	(33,570)	(33,570)
Increase in debtors	(3,157,811)	(1,901,515)
Increase in creditors	14,712,932	600,849
Corporation tax paid	(697,385)	(459,070)
<b>Net cash inflow from operating activities</b>	<b>14,449,706</b>	<b>1,696,262</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 19. Analysis of changes in net debt

	1 April 2015 £	Cash flows £	31 March 2016 £
<i>Net cash:</i>			
Cash at bank and in hand	4,738,851	7,060,930	11,799,781
<i>Debt:</i>			
Overdraft	-	(4,616)	(4,616)
Bank loans (note 14)	(13,671,600)	(1,137,168)	(14,808,768)
Loans due to related parties (note 13)	(5,547,959)	1,169,618	(4,378,341)
Other loans (note 14)	(296,962)	296,962	-
	(19,516,521)	324,796	(19,191,725)
<b>Total net debt</b>	<b>(14,777,670)</b>	<b>7,385,726</b>	<b>(7,391,944)</b>

### 20. Employees

	2016 £	2015 £
Wages and salaries	532,275	338,177
Social security costs	41,081	28,731
	573,356	366,908

The average monthly number of employees (excluding directors) during the year was 32 (2015: 26).

### 21. Directors' emoluments

	2016 £	2015 £
Emoluments for qualifying services – salary and fees	48,615	107,500

In addition to the emoluments shown above, the group paid £175,000 (2015: £150,000) to Virani Net Limited (a shareholder of the company) for the services of the remaining directors. Of this balance £175,000 remains in accruals (2015: £100,000). Included within the group balance is £50,000 (2015: £50,000) paid to Virani Net Limited by the company.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 22. Capital commitments

At 31 March 2016 the group was not committed (2015: £625,000) for property acquisitions after the year end (£2015: £625,000). At 31 March 2016, the group was committed to £41,200 (2015: £Nil) for property refurbishments after the year end.

### 23. 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.

### 24. Subsequent events

In June 2016 the Company purchased a one third interest in Halo Estates Limited for £894,146. Halo owns a 50% in interest in Unimix Properties Limited. Post this acquisition the Group now owns 66.67% of Unimix House.

### 25. Transition to FRS 102

This is the first year that the group and company have presented their results under Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The effective date of the transition to FRS 102 from previously extant UK GAAP was 1 April 2014.

The group and company have restated their comparative prior year amounts in these financial statements.

Set out below are the changes in accounting which reconcile group profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

There have also been several reclassifications in the statements of financial position and changes in terminology in these financial statements resulting from the transition to FRS 102.

The accounting changes mainly result from the requirement under FRS 102 to show changes in fair values of investment properties in profit and loss and not directly as a reserve movement. A resulting deferred tax provision is also provided on the changes in fair values of the investment properties whereas under the previous UK GAAP no deferred tax provision was recognised on the revaluation of investment properties.

The amortisation of negative goodwill has also been changed from a useful economic life of 20 years to 10 years.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 25. Transition to FRS 102 (continued)

#### Reconciliation of profit and loss for the year ended 31 March 2015

	Group £	Company £
Profit for the year ended 31 March 2015 under previous UK GAAP	2,791,823	369,024
Gain on revaluation of investment properties:		
On own group companies' properties	6,751,953	-
Share of associated companies' properties	1,570,570	-
Deferred tax on gains on revaluations (group and associates)	(1,640,830)	-
Increase in negative goodwill amortisation (10 years useful life)	16,784	-
Restated profit for the year ended 31 March 2015 under FRS 102	9,490,300	369,024

#### Reconciliation of total equity at 1 April 2014

	Group £	Company £
Total equity at 1 April 2014 under previous UK GAAP	29,768,380	8,093,935
Deferred tax provision on gains on revaluations:		
On own group companies' properties	(1,522,162)	-
Share of associated companies' properties	(50,000)	-
Restated total equity at 1 April 2014 under FRS 102	28,196,218	8,093,935

#### Reconciliation of total equity at 31 March 2015

	Group £	Company £
Total equity at 31 March 2015 under previous UK GAAP	40,675,823	8,378,503
Deferred tax provision on gains on revaluations:		
On own group companies' properties	(2,862,993)	-
Share of associated companies' properties	(350,000)	-
Increase in negative goodwill amortisation (to 10 years useful life)	16,784	-
Restated total equity at 31 March 2015 under FRS 102	37,479,614	8,378,503



## Cygnet Properties & Leisure PLC (the Company)

### Notice of Annual General Meeting

Notice is hereby given that the 2016 Annual General Meeting of the company will be held at Crown House, North Circular Road, Park Royal, London NW10 7PN, on Thursday 29th September 2016 at 12:30 pm for the following purposes:

#### Ordinary Business

1. To receive and adopt the Report of the Directors and the Accounts for the year ended 31 March 2016 and the Auditors Report thereon. *(Resolution 1)*
2. To declare a dividend of 0.30 pence per ordinary share of the Company. *(Resolution 2)*
3. To re-elect **Mr. Karim Virani** as a Director who retires pursuant to the provisions of the Articles of Association and, being eligible, offer himself for re-election. *(Resolution 3)*
4. To re-elect **Mr. Robert Towers** as a Director who retires pursuant to the provisions of the Articles of Association and, being eligible, offer himself for re-election. *(Resolution 4)*
5. To re-appoint UHY Hacker Young LLP 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 board of directors to determine their remuneration. *(Resolution 5)*

#### Special Business

To consider and, if thought fit, to pass the following resolutions of which resolution 6 will be proposed as an Ordinary Resolution of the Company and Resolution 7 will be proposed as a Special Resolution of the Company:

6. 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 an aggregate nominal value of £10,000,000 provided that such authority shall expire on the conclusion of the next Annual general meeting to be held in 2017 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. *(Resolution 6)*
7. That, subject to the passing of resolution 6 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 6 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:

- (i) 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
- (ii) (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 2017 (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. *(Resolution 7)*

By order of the Board

**Pravin Malde**  
Secretary

30 August 2016

**Registered offices:**  
Crown House  
North Circular Road  
Park Royal  
London, NW10 7PN

1. A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend, and on a poll, vote in his/her stead. 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.

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 Meeting.



## Cygnets 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 29 September 2016.

I/We desire the 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 Mr. Karim Virani as Director		
4. To re-elect Mr. Robert Towers as Director		
5. To re-appoint UHY Hacker Young LLP as Auditors		
6. To authorise the Directors pursuant to Section 551 of the Act		
7. To authorise the Directors pursuant to Section 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 ..... 2016

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 the joint holders should be stated.



**Cygnnet Properties & Leisure PLC**

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

Ph: 020 8961 1415  
E-mail: [enquiries@cygnnetproperties.co.uk](mailto:enquiries@cygnnetproperties.co.uk)  
Web: [www.cygnnetproperties.co.uk](http://www.cygnnetproperties.co.uk)