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Financial Calendar

Record date for dividend

20 September 2019

Annual General Meeting

26 September 2019

Payment of dividend

04 October 2019

["These are ideal market conditions for
Cygnet to expand its portfolio"](#)



Cygnnet is an opportunity driven family run commercial property business. We seek investments where our management expertise can add value and stimulate appreciation to the portfolio.

DIRECTORS

Nazmu Virani	Chairman
Rahim Virani BSc	Managing Director
Zul Virani	Director
Karim Virani BA (Law)	Legal Director
Shaila Virani BSc, BA	Director
Robert Towers ACIB	Non- executive Director
Bryce Glover LLB ACIB	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

[KLSA](#)

Klaco House
28 - 31 St John's Square
London EC1M 4DN

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

[Habibsons Bank Ltd](#)

9 Portman Steet
London W1H 6 DZ

Registrars

[Neville Registrars Limited](#)

Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

Results

It gives me great pleasure to be able to report on another year's successful trading. I can report that your company's Group accounts have once again shown increases across all areas and for the year ended 31 March 2018 the headline figures are as follow.

	2019 £'000	2018 £'000	Increase/ Percentage
Turnover	9,183	7,674	19.67
Operating profit	5,258	5,152	2.06
Profit before tax	28,917	12,053	139.91
Profit after tax	24,478	10,729	128.15
Net Asset Value	87,401	63,064	38.59
Earnings per Share	66 pence	33 pence	100
Net Asset Value per Share	310 pence	224 pence	38.4

As stated last year regular reviews of the property portfolio are carried out to establish whether there needs to be any adjustment to the carrying value of the properties. The exercise this year has resulted in an overall increase in the value of the portfolio by £22,812,856 (2017 uplift £7,400,408) and this is reflected within the Income Statement together with the relevant provision for taxation and also in the comparative table above.

The Net Asset Value per share has increased by 38% to 310 pence



Property Portfolio

This year has been one of consolidation with only one major acquisition in the financial year and two post.

There has therefore been a concentration on increasing occupancy across the portfolio and the maximisation of rent reviews and renewals. This has driven the increase in turnover as tabulated above. There is also an on-going programme of refurbishment being carried out across the portfolio to ensure that the rental levels can be improved and thereby enhance capital value.

Acquisitions

In December the Company purchased the Freehold 125,000 sq. ft. Callendar Square Shopping Centre in Falkirk, Scotland. The purchase price was £1,005,000 and whilst the headline income was c£625,000 the investment came with significant challenges, which we were fully aware of at the outset. The income was more than offset by the expenses as the property had in excess of 50% vacancy at the time of purchase. In the short time that it has been in our ownership a series of new lettings have been agreed bringing the overall occupancy percentage to over 60% and direct costs continue to be controlled by the renegotiation of existing contracts or the entering into new ones with different suppliers. As a result of increased occupancy, reduction in direct costs, the Centre is moving towards a profitable footing in the relatively near term.

Having bought the centre for just £8 per sq. ft. we are confident that we are capable, with hard work, of bucking the trend in the retail sector by improving the shopper experience and repositioning the offering in order to recognise changing trends in the retail sector.

Post the year end a further acquisition took place of a freehold industrial estate in Manchester. The estate consists of 225,000 sq. ft. and currently produces £506,000 of income. The acquisition price was £5.1m and it therefore shows an initial yield of circa 10%. This is an exciting purchase for the Group and fulfils the various criteria that we look for in a purchase as we believe there is substantial opportunity to enhance income thereby also enhancing value within this property as well as potential redevelopment upside.

We have also purchased a freehold vacant site in the Borough of Brent for £960,000. We have aspirations to achieve a planning gain on the land for both retail and residential but we will need to proceed with the usual applications and consultations before the best route forward is known for the land.

Funding

We continue to have very strong relationships with our existing funders and this has been cemented with Punjab National Bank agreeing to refinance their existing facility secured against Exhibition House, Kensington. They have not only increased the quantum of debt given the uplift in the valuation, but also improved on the financing terms

We continue to nurture new relationships with Banks and entrench relationships with existing funders. We also have ongoing relationships with associate investors from this country and overseas which give us substantial leverage in taking advantage of larger acquisition opportunities, should they arise.

As mentioned in last year's statement we have a substantial revolving facility with Santander, and this remains undrawn at present. This, together with the increased facility mentioned above plus cash generated from trading, results

in the Group having a substantial war chest and an ability to pursue most investments without the need for debt at the time of purchase. This agility is a considerable advantage in the present climate. We are particularly well placed in the event of a transaction that needs a buyer to mobilise quickly whether that is on account of distress or some other reason.

The Future

Brexit is now on the horizon but we do not expect it to have a material adverse effect on the particular segments of the commercial property market, being office and industrial where we are majorly involved. If there are any challenges ahead, I am confident that with our low gearing these can be met head on and that as a result the Group should only get stronger and be capable of capitalising on any uncertainty in market conditions should they arise. As mentioned above, with the continued support of our banks, joint venture partners and team of professionals, we remain in a strong position to acquire the right opportunities, as they arise, where we can increase the income and enhance the capital value in accordance with our skill-sets and well-proven acquisition criteria.

Finally, as always, I am very appreciative of the help and support that I have received and continue to receive from my fellow Board members, the management team and the entire staff all of whom have played a great part in making the Group a continuing success.

Nazmu Virani

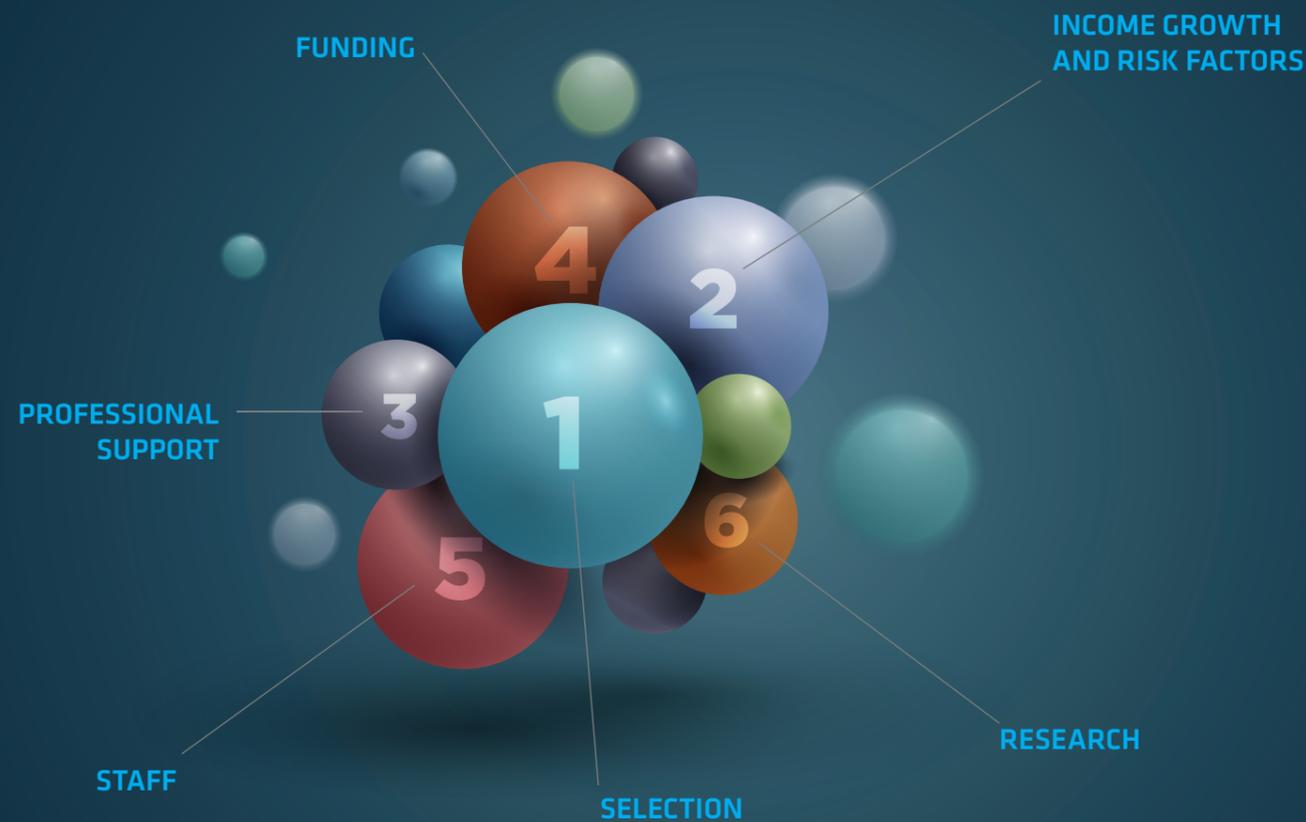
Chairman

05 September 2019



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.



01

Selection

The entrepreneurial approach is applied to all potential purchases which allows for every opportunity to be evaluated on its merits. The overriding criteria is whether the directors believe that there is the potential to add value in the short to medium term.

02

Income Growth and Risk Factors

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. The directors also critically appraise the robustness of the income and the likely outcome in the event of market fluctuations.

03

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 relationships that are maintained between the Company and these firms, reaction time is extremely fast thus minimising any delays and delivering an edge in competitive situations.

04

Funding

Primarily, the Group has strong cash reserves and undrawn facilities so can frequently purchase for cash and take financing later. The Group however 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 and are attentive to the agility needed in the current marketplace.

05

Staff

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. They understand the drivers of the organisation and contribute to the overall performance with this in mind.

PORTFOLIO HIGHLIGHT

5
NEW
PROPERTIES
ADDED

The company continues to reinvest profits in growing the portfolio. The new properties have a mix of income profiles, property sectors and geographic locations. The directors continue to pursue other acquisition opportunities as and when they are available at an attractive price.

688
TENANTS

The broadening of the tenant base provides excellent security of long term income. The tenant diversity is a tremendous strength.

86%
OVERALL
OCCUPANCY

Diligent management has allowed the company to maximise returns, in turn this has supported expansion in the portfolio.



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.

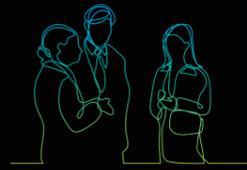


BOARD MEMBERS

Cygnet has strong governance with independent non-executive directors to provide impartial guidance and an external check.

The Executive Directors have a wealth of experience within commercial property and have built up a network of contacts that provide a source of potential acquisitions, many of them off-market.

The Board have a diverse range of professional capabilities including banking and finance, accountancy, management and law.



GEARING

Cygnet is risk averse and this is demonstrated by the very low gearing rate of just 23%.

Initially purchases will often be made for cash and then funded subsequently on a conservative loan to value basis. The borrower will also amortize, rather than paying interest only.

The company continues to maintain good relations with existing lenders and to develop new relationships.

The company has undrawn funding for future investments from existing relationship banks, other financial institutions and equity partners.



RELATIONSHIP MANAGEMENT

Alongside the Board of Directors there is a dedicated team that help in driving the business forward which ensures that the assets are optimized which then fuels further investment.

Our tenant base is both loyal and well established which is a result of our flexibility and promptness of response in dealing with their requirements.

The Group has excellent relations with agents who are a constant source of new tenants for the portfolio as and when required. The company and the family are extremely well respected within the marketplace which unlocks access to potential deals, funding and joint ventures.

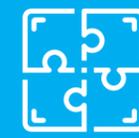
WHAT WE DO

OUR BUSINESS IS ABOUT TAKING THE RAW MATERIAL AND ADDING VALUE IN THE SHORT TO MEDIUM TERM.



Identifying and Acquiring Property

Potential opportunities are sourced from a vast number of contacts plus the more traditional route of agents and auctions. Initial discussions based on a thorough market appraisal are held by an executive committee and a unanimous decision is required to proceed. Prospects for letting vacant space, refurbishment and alternate uses as well as risk factors are all taken into consideration and where deemed necessary professional advice will also be sought.



Integration

Once purchased, a property manager and an accounts manager will be assigned to look after the day to day running of the investment. A Board member will take ultimate responsibility and both the director and property manager will introduce themselves to the tenants in order to remain abreast of the SWOT analysis for the property and to maximise performance.



Value Add

Prior to purchase there will have been a strategy identified designed to add value to the property in the short to medium term. Immediately following completion of the purchase relevant professionals will be engaged and the plan will be implemented.



Funding

Very often the initial purchase of the property will be made using the Group's own resources to enable speed of response. Post completion, funding will be sought at the appropriate time, in order to make efficient use of funds and allow for the next purchase. The funding may come from existing or new relationships. The Group seeks longer term funding and prefers to seek debt only for mature assets in order to minimise the cost of funds.



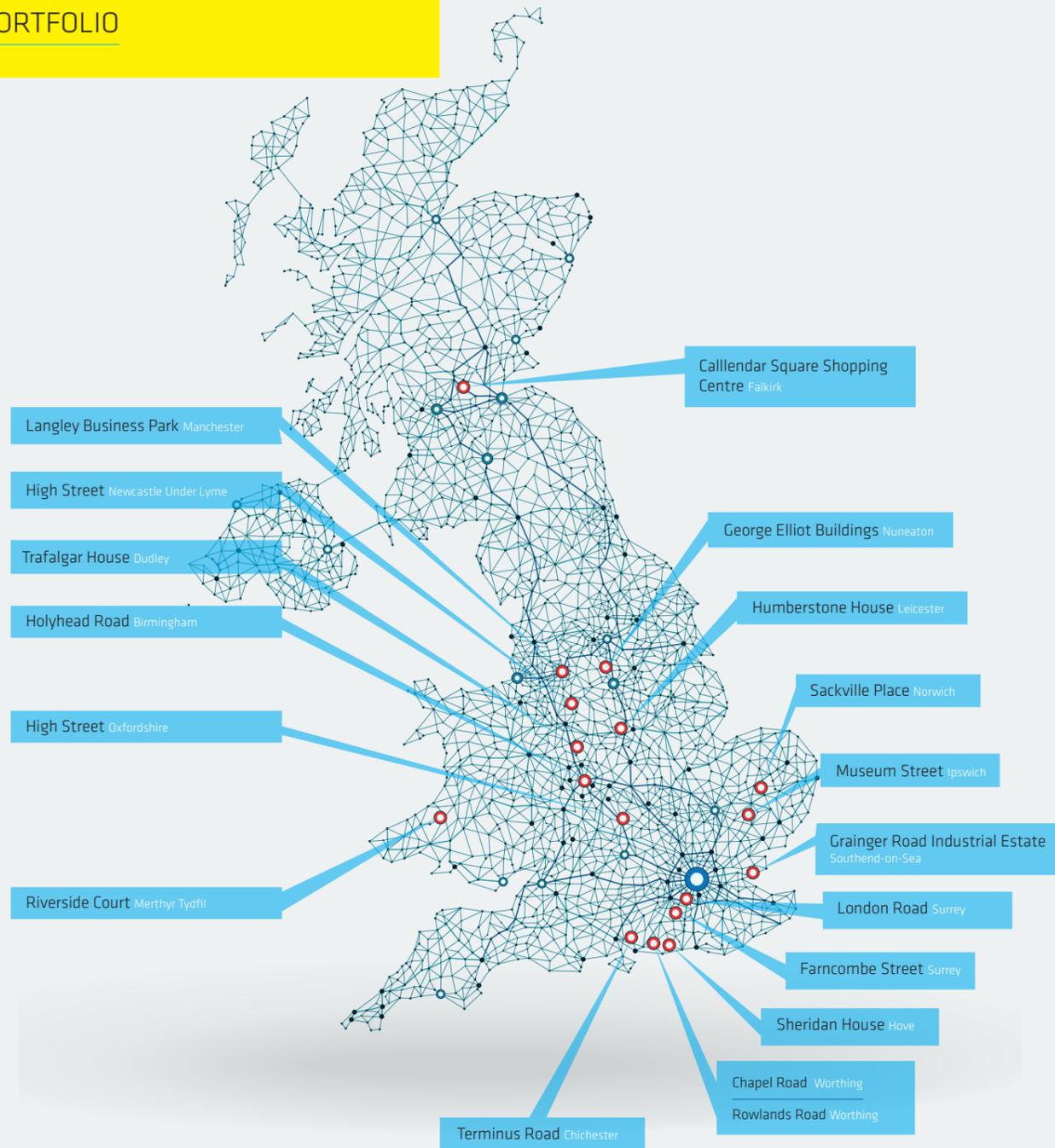
Continued Monitoring

Management meetings take place regularly and, dependant on the asset value and its state of maturity, could even be at weekly intervals. The team discuss all aspects pertaining to the property including but not limited to new lettings, rent reviews, changes of use, costs, service delivery, the local market and any other interest for the property that may have been received.

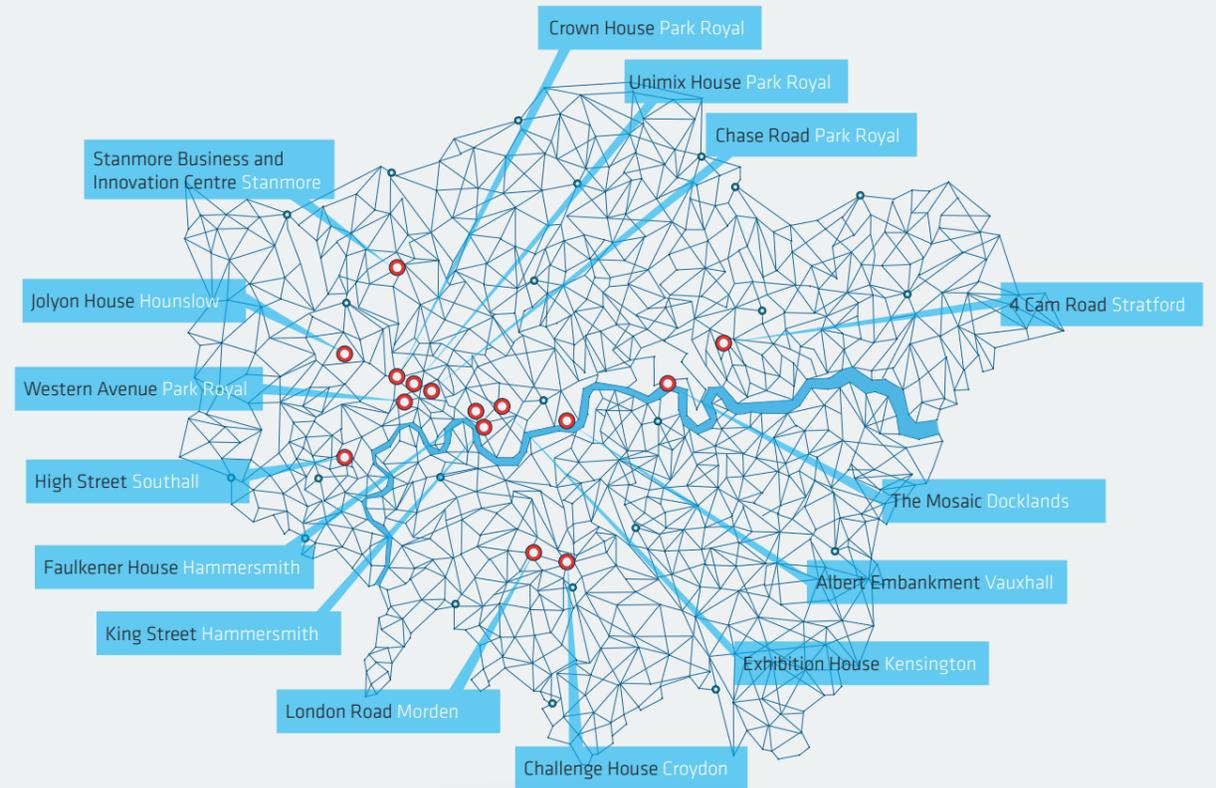


OUR UK PROPERTY PORTFOLIO MAP

NATIONWIDE PROPERTY PORTFOLIO



LONDON (M25) PROPERTY PORTFOLIO



KEY STATISTICS



RENTAL INCOME
During the year, rental income increased by **20%**



NET ASSET
Net asset value per share increased by **38%** over the last year



GEARING LEVEL
Cygnnet has remarkably low gearing for the sector, only **23%**. The company has sufficient resources to take up any new opportunity that presents, demonstrated by recent cash acquisitions with subsequent gearing.



PORTFOLIO BREAKDOWN
The Cygnnet portfolio is comprised of 77% Offices, 10% Retail Units and 13% Industrial.



PORTFOLIO
The Cygnnet 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.



OCCUPANCY
Total percentage of occupancy across the entire Cygnnet portfolio is at **86%**.



TENANCY
688 tenants occupying the group's commercial portfolio

KEY FACTS



LOANS
63% of the Group's Loans have a maturity beyond 3 years



TOTAL PROPERTIES
The number of properties comprising of the overall group portfolio is now **42**



TURNOVER
Increase in turnover is now at **20%**



ASSET VALUE
310p Net Asset Value per Share

FINANCIAL INFORMATION GRAPHS

NET ASSETS (£ '000)



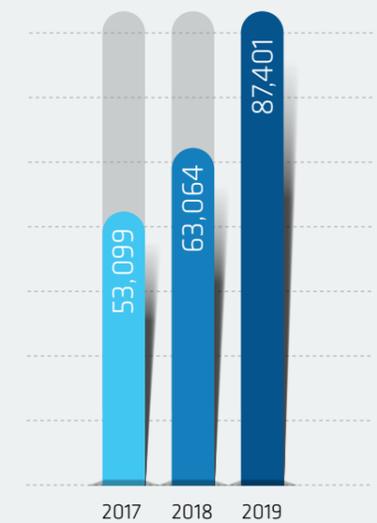
GROSS ASSETS (£ '000)



GROSS TURNOVER (£'000)



NET ASSET VALUE (PENCE)



CALENDAR SQUARE

HIGH STREET, FALKIRK

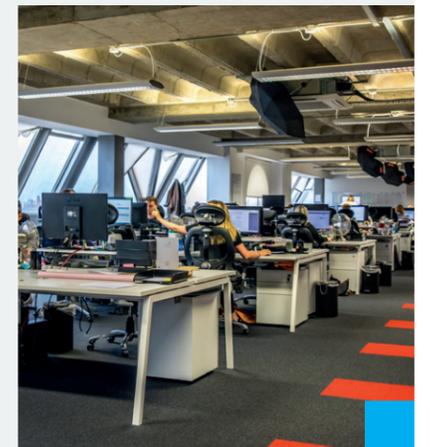
Acquired in late November 2017
Calendar Square is a freehold
130,000 sq. ft. mixed use leisure
and retail centre located on High
Street Falkirk



SHERIDAN HOUSE

STREET NAME, CITY

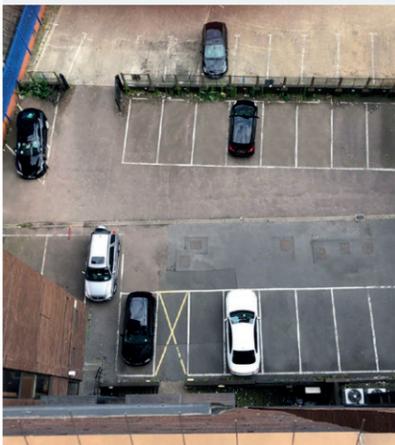
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HUMBERSTONE HOUSE

HIGH STREET, FALKIRK

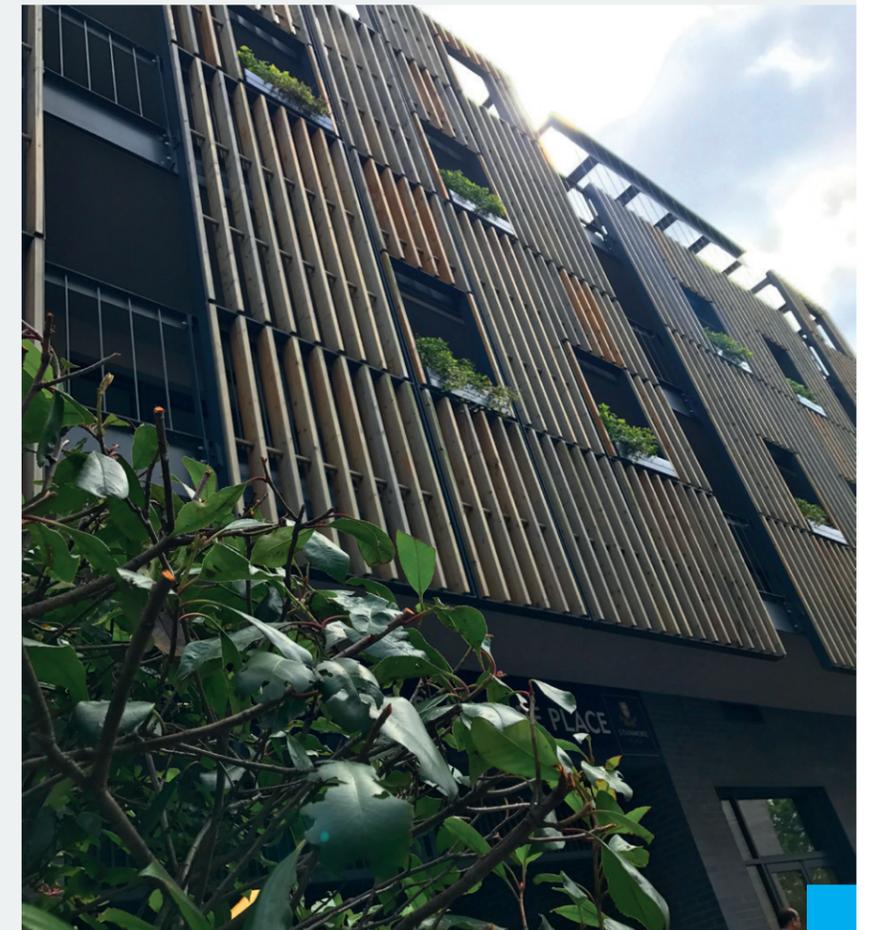
Acquired in late November 2017
Callendar Square is a freehold
130,000 sq. ft. mixed use leisure
and retail centre located on High
Street Falkirk



STANMORE BUSINESS & INNOVATION CENTRE

HIGH STREET, FALKIRK

Acquired in late November 2017
Callendar Square is a freehold
130,000 sq. ft. mixed use leisure
and retail centre located on High
Street Falkirk



TY KEIR HARDIE

HIGH STREET,
CITY

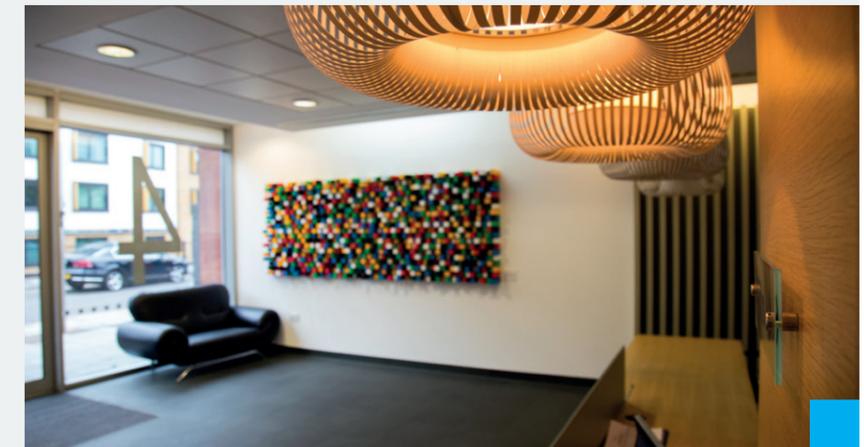
Acquired in late November 2017 Callendar Square is a freehold 130,000 sq. ft. mixed use leisure and retail centre located on High Street Falkirk



CAM ROAD

STRATFORD -
LONDON

Acquired in March 2016, consistently remained at 100% occupancy. Management has been able to drive up the income and thereby raise the value. Stratford is an area of great development, in close proximity to the City of London. Predominantly let to Bank of Tokyo Mitsubishi



The directors present their annual strategic report of the group and the company for the year ended 31 March 2019.

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, and cash flow. During the year, rental income increased by xxx. Net asset value per share attributable to equity owners, increased by xxx and earnings per share attributable to equity owners, increased by xxx when compared to the last year. The group had a negative cash flow of £xxx (2018: £1,109,387 negative).

Results and dividends

The group results for the year ended 31 March 2019 are shown on page xx. The directors recommend a final dividend of 0.50 pence per ordinary share (2018: 0.50 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 xx over the past year as a result of borrowings that have been used to refinance acquisitions originally purchased for cash. Over xx% of the group's bank loans have a maturity beyond 3 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 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 xx to the financial statements.

Rahim Virani

Director

05 September 2019



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements of the group and the company for the year ended 31 March 2019.

Directors of the company

The following directors held office during the year and up to the date of this report:

[Nazmu Virani](#)

[Rahim Virani](#)

[Zul Virani](#)

[Shaila Virani](#)

[Karim Virani](#)

[Robert Towers](#)

[Bryce Glover](#)

Directors' interests

The directors had no interests in the shares of the company or the company's subsidiary companies at 31 March 2019 or on the date on which these financial statements were signed. The company and group are controlled by some members of the Virani family (including some of the directors) through their shareholding in Virani Net Limited and Virani Net Scheme.

There have been no changes in the interests of the directors between 31 March 2019 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 2019, 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*	19,605,577	69.6%
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.

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.

Charitable donations

During the year to 31 March 2019 the group made charitable donations amounting to £xxx (2018: £150,154).

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

- 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

xxxxx

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CYGNET PROPERTIES AND LEISURE PLC

Opinion

Opinion

We have audited the financial statements of Cygnet Properties and Leisure plc for the year ended 31 March 2019 which comprise of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Cygnet Properties and Leisure plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CYGNET PROPERTIES AND LEISURE PLC (CONTINUED)

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with part 3 of Chapter 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.

Colin Wright (Senior Statutory Auditor) For and on behalf of UHY Hacker Young

For and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
Group turnover	2	x	9,183,533
Other income		x	282,322
Property costs and administrative expenses		(x)	(4,352,133)
Group operating profit	3	x	5,113,722
Joint venture - share of operating profit	11	x	34,900
Associated companies: - share of operating profit	10	x	109,336
Operating profit including joint venture and associates		x	5,257,958
Fair value gains on investment properties:			
Group	9	x	18,304,606
Joint venture	9 & 11	x	4,470,000
Associates	10	x	38,250
Profit on ordinary activities before interest and taxation		x	28,070,814
Interest receivable	4	x	1,786,209
Interest payable	5	(x)	(940,072)
Profit on ordinary activities before taxation		xxxx	28,916,951
Tax on profit on ordinary activities	6	xxx	(4,439,307)
Profit for the financial year		x	24,477,644
Profit for the financial year attributable to:			
Non-controlling interests		xxxxx	5,808,268
Owners of the parent company		xxxx	18,669,376
		xxx	24,477,644

All of the above results are derived from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the financial year	10,729,070	10,729,070
Other comprehensive income of group	-	-
Share of other comprehensive income of associates	-	-
Total comprehensive income for the year	10,729,070	10,729,070
Total comprehensive income for the year attributable to:		
Non-controlling interests	1,371,379	1,371,379
Owners of the parent company	9,357,691	9,357,691
	10,729,070	10,729,070

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets - negative goodwill	8		xx		235,971
Tangible assets	9		xx		110,731,459
Investments in associated companies	10		xx		1,123,300
Investment in joint ventures	11		xx		2,517,510
				xx	114,608,240
Current assets					
Debtors	12	xxxx		11,412,952	
Cash at bank and in hand		xxx		9,933,521	
				xxxx	21,346,473
Creditors: amounts falling due within one year	13	xxxxx		(19,640,228)	
Net current assets			xx		3,682,867
Total assets less current liabilities			xx		118,291,107
Creditors: amounts falling due after more than one year	14		xx		(24,670,041)
Provisions for liabilities	15		xx		(6,220,519)
Net assets			xx		87,400,547
Capital and reserves					
Called up share capital	16		xx		2,815,199
Share premium	17		xx		1,924,769
Revaluation reserve	17		xx		29,196,314
Capital redemption reserve	17		xx		822,831
Retained earnings	17		xx		31,577,474
Equity attributable to owners of the parent company			xx		66,336,587
Non-controlling interests			xx		21,063,960
Total equity			xx		87,400,547

The financial statements were approved by the Board on 05 September 2018 and signed on its behalf by:

Nazmu Virani - Chairman
Company Registration Number 03325149

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		xx		146,625
Investments in associated and subsidiary companies	10		xxxxx		2,674,066
Investment in joint ventures	11				35,676
				xxxxx	2,856,367
Current assets					
Debtors	12	xxx		28,863,867	
Cash at bank and in hand		xxx		4,624,489	
				xxx	33,488,356
Creditors: amounts falling due within one year	13	xxx		(24,424,880)	
Net current assets			xxxxx		9,063,476
Total assets less current liabilities			xxxxxx		11,919,843
Creditors: amounts falling due after more than one year	14		xxxxxx		(244,155)
Provision for deferred tax	15		xxxxx		(1,763)
Net assets			xxxxxx		11,673,925
Capital and reserves					
Called up share capital	16		xxxxxx		2,815,199
Share premium	17		xxxxxxx		1,924,769
Capital redemption reserve	17		xxxxx		822,831
Retained earnings	17		xxxxx		6,111,126
Shareholders' funds			xxxxxx		11,673,925

The financial statements were approved by the Board on 05 September 2018 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 2019

	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	RETAINED EARNINGS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	£	£	£	£	£	£	£	£
Year ended 31 March 2017								
At 1 April 2016	2,815,199	1,924,769	9,792,025	822,831	23,179,912	38,534,736	14,564,901	53,099,637
Profit for the year	-	-	-	-	9,357,691	9,357,691	1,371,379	10,729,070
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	9,357,691	9,357,691	1,371,379	10,729,070
Reserve transfers on investment properties revaluations in year:								
On group owned properties:			5,189,731		(5,189,731)			
On associates' properties	-	-	558,814	-	(558,814)	-	-	-
	-	-	-	-	-	-	-	-
Gain on changes of shareholdings of subsidiaries and associates			-		-		(680,663)	(680,663)
Equity dividends	-	-	-	-	(84,456)	(84,456)	(84,456)	(84,456)
Transfer of revaluation reserve to retained earnings	-	-	(10,888)	-	10,888	-	-	-
	-	-	-	-	-	-	-	-
At 31 March 2017	2,815,199	1,924,769	15,529,682	822,831	26,715,490	47,807,971	15,255,617	63,063,588

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	RETAINED EARNINGS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	£	£	£	£	£	£	£	£
Year ended 31 March 2018								
At 1 April 2017	2,815,199	1,924,769	15,529,682	822,831	26,715,490	47,807,971	15,255,617	63,063,588
Profit for the year	-	-	-	-	18,669,376	18,669,376	5,808,268	24,477,644
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	18,669,376	18,669,376	5,808,268	24,477,644
Reserve transfers on investment properties revaluations in year:								
On group owned properties:	-	-	9,868,920	-	(9,868,920)	-	-	-
On associates' properties	-	-	41,784	-	(41,784)	-	-	-
On joint venture's properties	-	-	3,755,928	-	(3,755,928)	-	-	-
Equity dividends paid	-	-	-	-	(140,760)	(140,760)	-	(140,760)
New subsidiary in year	-	-	-	-	-	-	75	75
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
At 31 March 2018	2,815,199	1,924,769	29,196,314	822,831	31,577,474	66,336,587	21,063,960	87,400,547

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	£	£	£	£	£	£
At 1 April 2016	2,815,199	1,924,769		822,831	3,967,601	9,530,400
Profit for the year	-	-	-	-	1,219,268	1,219,268
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,219,268	1,219,268
Equity dividends	-	-			(84,456)	(84,456)
At 31 March 2017	2,815,199	1,924,769	-	822,831	5,102,413	10,665,212
At 1 April 2017	2,815,199	1,924,769		822,831	5,102,413	10,665,212
Profit for the year	-	-	-	-	1,149,473	1,149,473
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,149,473	1,149,473
Equity dividends	-	-			(140,760)	(140,760)
At 31 March 2018	2,815,199	1,924,769	-	822,831	6,111,126	11,673,925

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
Net cash inflow/(outflow) from operating activities	18	xxxxx	4,192,336
Cash flows from investing activities			
Purchase and refurbishment of properties	9	xxxxxx	(6,470,582)
Interest received	4	xxxx	1,785,844
Net cash used in investing activities		xxxxx	(4,684,738)
Cash flows from financing activities			
Receipt of bank loans (net)	19	xxxxx	2,593,361
Loans (granted) to associates (net)		xxxxx	(999,116)
(Loans repaid to)/granted from related parties (net)	19	xxxx	(1,164,946)
Interest paid	5	xxxx	(905,524)
Dividends paid	17	xxxx	(140,760)
Net cash (used in)/from financing activities		xxxxx	(616,985)
Decrease in cash and cash equivalents	19	xxxx	(1,109,387)
Cash and cash equivalents at beginning of year	19	xxxxx	9,933,521
Cash and cash equivalents at end of year	19	xxxx	8,824,134

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Cygnnet Properties & Leisure Pie 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 102c The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102c'), as it applies to the financial statements of the group for the year ended 31 March 2018.

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 2018, the group's current assets exceeded its current liabilities by £3.7 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 30 September 2019, 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. Intragroup 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.

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 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.

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

The group uses a mix of independent valuation specialists and in-house specialist to determine fair values at each year end. The key assumptions

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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.

1.16 Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The key areas where assumptions are significant are:

Investment properties

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience and rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the property market knowledge and expertise of the directors and within the group, valuations are carried out by a mixture of external independent valuers and internal specialists.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

	2019	2018
	£	£
Group operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 9)	xxx	3,562
Amortisation of goodwill - net credit (note 8)	xxxx	13,429
Auditors' remuneration - group audit fees	xxxx	95,000
- non-audit services	xxxx	20,000

The group audit fees consists of £85,000 (2017: £72,276) payable to the parent company auditors and £10,000 (2017: £8,200) payable to other firms of auditors who audit some of the company's subsidiaries. Non-audit services relate entirely to tax and non-audit accounting services.

The changes in fair values of investment properties are shown in the consolidated income statement after operating profit so is not included above.

4. Interest receivable

	2019	2018
	£	£
Company and subsidiaries:		
- bank interest received	xxxxx	6,090
- interest from related party	xxxx	145,794
- other interest	xxxxx	1,633,960
	xxxx	1,785,844
Associated companies:		
- share of bank interest received (note 10)	xxxx	365
	xxxxx	1,786,209

Other interest shown above consists mainly of interest on short term debtors due to third parties (note 12).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

5. Interest payable

	2019	2018
	£	£
Company and subsidiaries:		
On bank overdrafts	xxxx	14,486
On bank loans	xxxxx	889,219
On overdue tax	xxxx	1,819
	xxxxx	905,524
Associated companies - share of bank loan interest (note 10)	xxxx	34,548
	xxxx	940,072

6. Taxation

	2019	2018
	£	£
The tax charge comprises:		
Current year taxation		
UK corporation tax on profits for the year	xxxxxx	1,115,947
Adjustments for previous periods	xxxxx	(8,944)
	xxxxx	1,107,003
Share of joint venture's tax (overseas tax) (note 11)	xxxxx	68,285
Share of associated companies' corporation tax charge (note 10)	xxxx	11,966
Total current tax charge	xxxxx	1,187,254
Deferred tax		
Deferred tax charge - group (note 15)	xxxxx	3,252,053
Tax charge on profit on ordinary activities	xxxxxx	4,439,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

THE TAX CHARGE FOR THE YEAR IS RECONCILED AS FOLLOWS:	2019	2018
	£	£
Profit on ordinary activities before tax	xxxx	28,916,951
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 20% (2017: 20%)	xxxxxx	5,494,221
Effects of:		
Income not taxable	xxxxxx	56,839
Expenses not deductible for tax purposes	xxxxxx	19,690
Rate differences, sundries and adjustments	xxxxxx	(1,122,091)
Deferred tax adjustment	xxxxxx	(8,973)
Adjustments to tax charge in respect of previous periods	xxxxxx	(379)
Other tax adjustments	xxxx	
Total current tax charge	xxxxxx	1,324,295

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 2018 is £1,149,473 (2017: £1,219,268).

8. Intangible fixed assets

GROUP	NEGATIVE GOODWILL	POSITIVE GOODWILL	TOTAL
	£	£	
Cost			
At 1 April 2017	(335,714)	523,396	187,682
Disposal	-	(51,371)	(51,371)
At 31 March 2018	(335,714)	472,025	136,311
Amortisation and impairment			
At 1 April 2017	160,089	(98,371)	61,717
Disposal	-	51,371	51,371
Amortisation credit/(charge)	33,571	(47,000)	(13,429)
At 31 March 2018	193,660	(94,000)	99,660
Net book value			
At 31 March 2018	(142,054)	378,025	235,971
At 31 March 2017	(175,625)	425,025	249,400

Negative goodwill arose in prior years from the acquisition of 66.6% of share capital in Mayfield Estates Limited and the acquisition of 50% of Alankar Properties Limited which was a 50% associate of the group and both subsequently became 100% subsidiaries.

Positive goodwill arose from the acquisition of a one third interest in the Halo Estates Limited, which owns 50% of Unimix Properties Limited.

Positive goodwill is being 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 2019

9. Tangible fixed assets

GROUP	INVESTMENT PROPERTIES	PLANT AND MACHINERY	FIXTURES & FITTINGS	TOTAL
	£	£	£	£
Cost or valuation				
At 1 April 2017	81,476,637	26,889	310,870	81,814,396
Additions	6,469,534	-	1,048	6,470,582
Revaluations - subsidiaries	18,304,606	-	-	18,304,606
Revaluations - joint venture	4,470,000			4,470,000
At 31 March 2018	110,720,777	26,889	311,918	111,059,584
Depreciation				
At 1 April 2017	-	26,711	297,852	324,563
Charge for the year	-	45	3,517	3,562
At 31 March 2018	-	26,756	301,369	328,125
Net book values				
At 31 March 2018	110,720,777	133	10,549	110,731,459
At 31 March 2017	81,476,637	178	13,018	81,489,833

The group purchased 2 investment properties during the year ended 31 March 2018, at a cost of £3.5 million. The remaining additions in the year relate to capitalised improvements on existing group investment properties. The group owned 23 freehold investment properties (2017: 21) and 3 leasehold investment properties (2017: 3) at 31 March 2018.

The historical cost of investment properties held at fair values was £62,085,385 at 31 March 2018.

The total amount of loan interest and directly attributable overhead expenditure capitalised in the investment properties' costs to date is £647,251 (2017: £647,251) and £299,361 (2017: £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 2018 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 2018 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 2018, there were a number of gains on the revaluation of the group's investment properties. This is shown on the consolidated income statement. In the year, the net gain of £19.5 million comprised a gross revaluation gain of £22.7 million less a deferred tax provision of £3.2 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9. Tangible fixed assets (continued)

COMPANY	FREEHOLD INVESTMENT PROPERTIES	FIXTURES & FITTINGS	TOTAL
	£	£	£
Cost			
At 1 April 2017	142,460	77,882	220,342
Additions	-	-	-
At 31 March 2018	142,460	77,882	220,342
Depreciation			
At 1 April 2017	-	72,329	72,329
Charge for the year	-	1,388	1,388
At 31 March 2018	-	73,717	73,717
Net book values			
At 31 March 2018	142,460	4,165	146,625
At 31 March 2017	142,460	5,553	148,013

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 2019

10. Fixed asset investments

The group's investments in associated companies at 31 March 2018 were as follows:

GROUP	ASSOCIATED COMPANIES
	£
Shares	
At 1 April 2017	1,197
Additions	-
At 31 March 2018	1,197
Share of retained profits	
At 1 April 2017	461,852
Net share of (losses)/profits for the year (see below)	101,436
Share of fair value gain on investment properties in the year transferred (below)	(41,784)
At 31 March 2018	
Share of revaluation of associated companies' properties	
At 1 April 2017	558,815
Transfer of revaluation reserve from retained earnings (above)	41,784
	-
At 31 March 2018	600,599
Net book values	
At 31 March 2018	1,123,300
At 31 March 2017	1,021,867

During the year ended 31 March 2018, there were revaluations of the associated companies' investment properties with resulting gross fair value gains of £38,250 (2017: £643,278). This is shown on the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

10. Fixed asset investments (continued)

The company's investments in subsidiary and associated companies at 31 March 2018 were as follows:

COMPANY	ASSOCIATED COMPANIES	SUBSIDIARY COMPANIES	TOTAL
	£	£	£
Shares			
1 April 2017	4,222	2,672,841	2,677,063
Additions	-	28	28
Disposals	(3,025)	-	(3,025)
At 31 March 2018	1,197	2,672,869	2,674,066
Net book values			
At 31 March 2018	1,197	2,672,869	2,674,066
At 31 March 2017	4,222	2,672,841	2,677,063

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

10. Fixed asset investments (continued)

The company's subsidiary and associated companies as at 31 March 2018 were as follows:

SUBSIDIARY COMPANIES	PRINCIPAL ACTIVITY	% ORDINARY SHARES HELD
Main Developments Limited	Property investment	100%
Dartbank Limited	Property investment	100%
Crownprize (Brentford) Limited	Dormant	100%
New Enterprise Limited	Property investment	100%
Brooktone Limited	Dormant	100%
Zone Estates Limited	Property investment	100%
Steelgate Limited	Dormant	100%
Acre Homes Limited	Property investment	100%
Mayfield Estates Limited	Property investment	100%
C & A Engineering Limited	Property investment	100%
Sunnyvale Properties Limited	Dormant	100%
Avonvale Properties Limited	Dormant	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	91.2%
Starling Homes Limited	Property investment	84.5%*
Unimix Properties Limited	Property investment	66.67%*
Willowland Limited	Property investment	50%
Spyce Properties Limited	Property investment	40%
Somervale Limited	Property investment	50%
Fairmount Partnerships	Property investment	60%*
Glory Properties Limited	Property investment	50%
Skyfall Estates Limited	Property investment	100%
Stanmore Place Commercial Limited	Property investment	50%
Halo Estates Limited	Sub-holding company	33.3%
London LED Lights Limited	Dormant	100%
Braveheart Properties Limited	Dormant	100%
Goldacre Limited	Dormant	100%
Manorvale Estates Limited	Dormant	100%
Helmside Limited	Dormant	100%
Virani Group Limited	Property investment	100%
Fernglen Limited	Property investment	25%
Highclass Group	Property investment	100%
Abbeycrest Limited	Property investment	100%
Unique Access Limited	Property investment	100%
Langley Business Park Ltd	Property investment	100%
Commonplace Limited	Property investment	100%
Crowngold Limited	Property investment	100%
ASSOCIATED COMPANIES	PRINCIPAL ACTIVITY	% SHARE CAPITAL HELD
Wise Developments Limited	Property investment	25.0%
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 2019

10. Fixed asset investments (continued)

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

Fairmount Partnerships is equity accounted as a joint venture (note 11) within the accounts of Fairmount Ventures Limited.

The group's share of the net assets of the five associated companies as at 31 March 2018 are shown under investments in the consolidated statement of financial position, and comprised:

	£	£
Share of assets:		
Share of fixed assets	3,783,057	
Share of current assets	659,603	
		4,442,660
Share of liabilities:		
Due within one year	(2,562,361)	
Due after more than one year	(394,366)	
Provisions for liabilities	(362,633)	
		(3,319,360)
Share of net assets representing the group's carrying value of investments in associated companies (see above)		1,123,300

The group's share of the results of the five associated companies for the year ended 31 March 2018 were as follows:

	£
Share of turnover	303,711
Share of operating profits	109,336
Share of gain on revaluation of investment properties	38,250
Share of interest receivable (note 4)	365
Share of interest payable (note 5)	(34,548)
Share of current and deferred taxation (note 6)	(11,967)
Share of profits for the year	101,436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

11. Investments in joint ventures

The group's investments in joint ventures at 31 March 2018 were as follows:

GROUP	2019 £	2018 £
Uganda (note i)	xxxx	1,481,029
Fairmount Partnerships (note ii)	xxxx	1,036,481
	xxxxx	2,517,510

COMPANY	2019 £	2018 £
Uganda (note i)	xxxx	35,676

(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 2017	1,518,727	39,990
Share of profit for the year (see below)	187,475	-
Exchange differences	(225,173)	(4,314)
Loss recognised for joint venture in the year	(37,698)	(4,314)
At 31 March 2018	1,481,029	35,676

	£
Share of turnover	540,348
Share of net profit:	
Share of operating profit	255,760
Share of taxation (note 6) - current year	(68,285)
Share of profit from operation for the year	187,475
Share of net assets:	
Share of net assets/(liabilities)	1,481,029

(ii) **Fairmount Partnership** The company's subsidiary, Fairmount Ventures Limited, has a 60% interest of a jointly controlled asset in Fairmount Partnership. The share of the results of Fairmount Partnership are equity accounted in the accounts of Fairmount Ventures Limited with an operating profit of £415,597, gross fair value gain on properties of £4,470,000, finance costs of £258,900, tax charge of £745,821, resulting in a share of net profits of £3,880,876.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12. Debtors

	2019 GROUP £	2018 GROUP £	2019 COMPANY £	2018 COMPANY £
Trade debtors	xxxx	1,011,947	xxxx	2,737
Other debtors	xxxx	3,146,853	xxxxx	2,674,221
Amounts due from subsidiaries	-	-	xxxxx	23,875,207
Amounts due from associated companies	xxxxx	2,241,250	xxxxx	2,241,250
Prepayments	xxxx	131,485	xxxxx	54,179
Amounts due from related parties	xxxxx	5,017,318	-	-
Deferred tax asset	-	-	xxxxx	16,273
	xxxxx	11,548,853	xxxxx	28,863,867

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 2018 are mainly due from Bridgestone 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

	2019 GROUP £	2018 GROUP £	2019 COMPANY £	2018 COMPANY £
Bank loans (note 14)	xxxxx	1,821,623	xxxxx	32,704
Bank overdraft	xxxxxx	218,212	-	-
Trade creditors	xxxxx	2,487,065	xxxxx	30,829
Other creditors	xxxx	4,060,653	xxxx	502,465
Other taxes and social security costs	xxxx	569,476	xxxx	898
Corporation tax payable	xxxxx	1,163,686	xxxxxx	272,412
Amounts due to subsidiary companies	-	-	xxxxxxxxx	22,840,164
Amounts due to associated companies	-	-	-	-
Accruals and deferred income	xxxxx	2,774,022	xxxxx	88,373
Dividends payable	xxxx	18,283	xxxxxxxxx	18,286
Amounts owed to related parties	xxxxxx	3,795,312	xxxxxx	638,749
	xxxxx	16,908,332	xxxxx	24,424,880

"Amounts owed to related parties at 31 March 2018 include £1,198,540 (2017: £1,129,587) due to Virani Net Scheme and £215,584 (2017: £74,556) due to Virani Net Limited and £Nil (2017: £224,975) due to Mr. Nadim Virani, £4,217 due to Mr N Virani (2017: Mrs Y Virani £626,792), £1,757,093 due to Mr N Virani and Mrs A Virani (2017: £1,757,093), £242,588 due to Mrs A Virani (2017: £697,745).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 GROUP	2018 GROUP	2019 COMPANY	2018 COMPANY
	£	£	£	£
Bank loans (note below)	xxxxxxxx	24,670,041	xxxx	244,155
Bank loans maturity analysis				
Repayable within one year	xxxxxx	1,821,623	xxxxx	32,704
Repayable between one and five years	xxxxx	23,501,954	xxxxx	135,362
Repayable after five years	xxxx	1,168,087	xxxx	108,793
Total loan debt	xxxxx	26,491,664	xxxxxx	276,859
Included in current liabilities (note 13)	xxxx	(1,821,623)	xxxxx	(32,704)
Amounts falling due after more than one year	xxxxxx	24,670,041	xxxxx	244,155

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 2019

15. Provision for deferred tax

	2019 GROUP	2018 GROUP	2019 COMPANY	2018 COMPANY
	£	£	£	£
Amount provided:				
- on accelerated capital allowances	xxxxx	593,143	xxxxx	1,763
- on revaluation of properties	xxxxx	5,627,376	-	-
Full provided liability	xxxxx	6,220,519	xxxxx	1,763
The movement of the provision for the year is as follows:				
At 1 April 2017	xxxxxx	2,968,468	xxxxx	1,956
Income statement (note 6)	xxxxxx	3,252,053	xxxxx	(193)
Other movements	xxx	(2)	-	-
At 31 March 2018	xxxxxx	6,220,519	xxxxx	1,763

16. Share capital

GROUP AND COMPANY	2019 £	2018 £
<i>Allotted, called-up and fully paid</i>		
28,151,991 ordinary shares of 10p each	xxxxxx	2,815,199

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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. All shares are of the same class and have the same rights..

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 changes in the fair value of investment properties, net of deferred tax provisions on revaluation gains, recognised for the current and previous reporting periods.

Retained earnings

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

Dividends

The dividend of £140,760 paid during the year ended 31 March 2018 related to the financial results for the prior year. A dividend for the current financial year 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 2019.

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

	2019	2018
	£	£
Group operating profit	xxxx	5,113,722
Depreciation charges	xxxxx	3,569
Amortisation charge net	xxxx	13,429
Exchange loss/(profit) on joint venture	xxxx	4,314
Decrease/(increase) in debtors	xxxx	863,214
Increase/(decrease) in creditors	xxxxx	1,554,113
Corporation tax paid	xxxxx	(3,360,025)
Net cash inflow/(outflow) from operating activities	xxxx	4,192,336

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

19. Analysis of changes in net debt

	1 APRIL 2017	CASH FLOWS	31 MARCH 2018
	£	£	£
Cash:			
Cash at bank and in hand	9,933,521	(891,175)	9,042,346
Bank overdraft (note 13)	-	(218,212)	(218,212)
	9,933,521	(1,109,387)	8,824,134
Debt:			
Bank loans (note 14)	(23,898,303)	(2,593,361)	(26,491,664)
Loans due to related parties (note 13)	(4,759,997)	1,164,946	(3,595,051)
	(28,658,300)	(1,428,415)	(30,086,715)
Total net debt	(18,724,779)	(2,537,802)	(21,262,581)

20. Employees

	2019	2018
	£	£
Wages and salaries	xxxxx	704,338
Social security costs	xxxx	42,293
Pension contributions	xxx	2,870
	xxxxxx	749,501

The average monthly number of employees (excluding directors) during the year was 36 (2017: 36).

21. Directors' emoluments

	2019	2018
	£	£
Emoluments for qualifying services - salary and fees	xxxxxx	230,879

In addition to the emoluments shown above the group paid £275,000 (2017: £275,000) to Virani Net limited (a shareholder of the company) for the services of the remaining directors. Of this balance £275,000 remains in accruals (2017: £275,000). Included within the group balance is £50,000 (2017: £50,000) paid to Virani Net Limited by the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

22. Financial assets and liabilities

	2019 GROUP	2018 GROUP	2019 COMPANY	2018 COMPANY
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised costs	xxxxxxx	20,459,714	xxxxxx	33,434,177
Carrying amount of financial liabilities				
Measured amortised costs	xxxxxx	39,845,211	xxxxxx	24,395,725

23. Capital commitments

At 31 March 2018 the group was committed to £6,060,000 (2017: £2,534,986) for property acquisitions after the year end. At 31 March 2018, the group was committed to £Nil (2017: £45,000) for property refurbishments after the year end.

24. Related party transactions

Total remuneration of key management during the year was £230,879 (2017: £84,232)

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group.

Other related party transactions are shown in notes 12 and 13 above.

25. Ultimate controlling party

The company and group are 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.

26. Subsequent events

In June 2018 the company bought a 225,000 sq. ft. freehold business centre in Salford Manchester for £5.1m and in August 2018 the company bought a freehold site in North West London for £960,000.

CYGNET PROPERTIES & LEISURE PLC (THE COMPANY)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2019 Annual General Meeting of the company will be held at Crown House, North Circular Road, Park Royal, London NW10 7PN, on Thursday 26 September 2019 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 2019 and the Auditors Report thereon. *(Resolution 1)*
- To declare a dividend of 0.50 pence per ordinary share of the Company. *(Resolution 2)*
- 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)*
- 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)*
- To re-appoint Mr Bryce Glover as a Director who retires pursuant to the provisions of the Articles of Association and, being eligible, offer himself for re-election. *(Resolution 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 6)*

Special Business

To consider and, if thought fit, to pass the following resolutions of which resolution 7 will be proposed as an Ordinary Resolution of the Company and Resolution 8 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 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 2020 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 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:

- 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 2018 (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 8)*

By order of the Board

Pravin Malde
Secretary

05 september 2019

Registered offices:

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 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.
- 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.

CYGNET 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 27 September 2018.

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		
4. To re-elect Mrs Shaila Virani		
5. To re-appoint Mr Bryce Glover		
6. To re-appoint UHY Hacker Young LLP as Auditors		
7. To authorise the Directors pursuant to Section 551 of the Act		
8. 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 2019

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, Steelpark Road, Halesowen, B62 8HD, 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.