

**KITEWOOD ESTATES LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

# **KITEWOOD ESTATES LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr J Faith Mr P O Van Reyk Mr D Faith Ms R M Van Reyk Mr S Millgate
<b>Secretary</b>	Mrs S T Nicklen
<b>Company number</b>	02852063
<b>Registered office</b>	85 Gracechurch Street London EC3V 0AA
<b>Auditor</b>	HJS Accountants Limited 12 -14 Carlton Place Southampton Hampshire England SO15 2EA

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# **KITEWOOD ESTATES LIMITED**

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# **KITEWOOD ESTATES LIMITED**

## **CHAIRMAN'S STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2019***

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I am pleased to report another profitable year for the Company despite the difficult economic and political climate.

A detailed assessment of our trading and asset base is set out fully within the Chief Executives Review and the Directors Strategic Report.

In regard to our long term strategy we endeavour to maintain a strong cash position in order to maintain growth in our forward land bank, and subject to economic conditions, act as a fund to secure possible distressed assets which we can use our skill set to achieve significant value upside.

Further, the company has added significantly to its contracted future development sites this year, including significant advances in the planning process to maintain the necessary flow of sites ready for commencement of construction.

The continued efforts of our specialist team of staff and consultants, and with our external funders, makes it possible for the Group operations to continue to develop and grow.



John Faith

Chairman

21st January 2020

# **KITEWOOD ESTATES LIMITED**

## **CHIEF EXECUTIVE'S REVIEW**

### **FOR THE YEAR ENDED 30 APRIL 2019**

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As I reported last year there remains a challenging economic backdrop emanating from ongoing Brexit and political uncertainty. Despite this, we have continued to invest in our future land bank, and through ongoing promotion, we now have several exciting opportunities that should significantly enhance the value of our business. We have also maintained an acceptable level of sales with our high-quality product remaining in demand.

Our investment in both consented and pipeline sites stands at

- 2,000 residential plots
- 662,000 sq. ft. commercial space

I am pleased to highlight activity on a selection of our sites by operational division

- Residential Development – In construction/built
- Residential and Commercial Development – In planning
- Residential and Commercial Development – Strategic

#### **Residential Development – In construction/built**

Lawrie Park Place, Sydenham (as built street scene)



# **KITEWOOD ESTATES LIMITED**

## **CHIEF EXECUTIVE'S REVIEW**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **Residential Development – In construction/built**

#### **Dittons Road, Polegate, East Sussex [45 plots]**

- Phase 1 build commenced spring 2019
- Show home launch – January 2020
- Average plot selling price: £ 337,000

#### **Woodacres, Hailsham, East Sussex [74 plots]**

- Build commencement on phase 2 & 3
- Completed plot sales: 63
- Forward sales post year end: 7 of which 6 have completed
- Average plot selling price: £ 325,000

#### **Lawrie Park Place, Sydenham, London [46 plots]**

- Build complete in year
- Completed plot sales: 25
- Forward sales post year end: 15 of which 11 have now completed
- Average plot selling price: £ 1,179,000

#### **Clarendon Place, Salisbury, Wiltshire [8 plots]**

- Build complete in the year
- Completed plot sales: 6
- Forward sales post year end: 1
- Average plot selling price: £ 373,000

#### **Woods Road, Peckham, London [122 plots]**

- Scheme assembled by Kitewood and built in conjunction with Crest Nicholson
- All plots sold and final JV scheme distributions expected in 2020

#### **Fairclough Farm, Bracknell, Surrey**

- Scheme promoted and planning secured by Kitewood
- The site was sold in the year to a major housebuilder thereby crystallising planning gain and maximising the RoCE

**KITEWOOD ESTATES LIMITED**  
**CHIEF EXECUTIVE'S REVIEW**  
**FOR THE YEAR ENDED 30 APRIL 2019**

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**Dittons Road, Polegate, East Sussex (street scene)**



**Arlington Road, Hailsham (show home)**



**Lawrie Park Place, Sydenham (Internal specifications)**





# **KITEWOOD ESTATES LIMITED**

## **CHIEF EXECUTIVE'S REVIEW**

***FOR THE YEAR ENDED 30 APRIL 2019***

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### **Sandgate, Kent [10 plots]**

- Development scheme for 10 seafront apartments
- Project commencement anticipated in 2020
- Average plot selling price: £ 592,000

### **Puffin Road, Herne Bay, Kent**

- Site enabling works and drawings underway to enable a plot build start
- Scheme GDV: £10.8 million
- Planning mix 26 private & 14 affordable housing units

### **Dittons Road, Polegate, East Sussex [Commercial]**

- The Lidl store is now fully operative and full access has been given to the commercial land to the rear of the site
- We had invested heavily on infrastructure works that provided serviced access to the commercial land which an end user is now developing

### **Chestfield, Kent**

- We are pleased to report that planning has been granted for 300 residential units, and 37,700 sq. ft of commercial and employment space
- We anticipate a build start in Spring 2021





**KITEWOOD ESTATES LIMITED**  
**CHIEF EXECUTIVE'S REVIEW**  
***FOR THE YEAR ENDED 30 APRIL 2019***

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**Dittons Road, Polegate, East Sussex (Phase 1 units in construction)**



**Sandgate, Kent**



# **KITEWOOD ESTATES LIMITED**

## **CHIEF EXECUTIVE'S REVIEW**

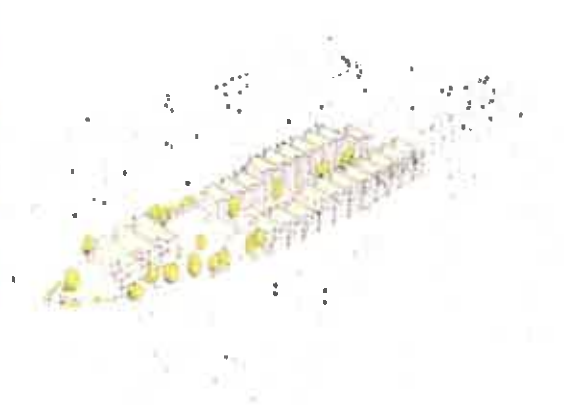
**FOR THE YEAR ENDED 30 APRIL 2019**

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### **Residential and Commercial Development – In planning**

#### **Lewes, East Sussex**

- We are promoting a scheme for 20 houses and 8 apartments on a former Police workshop, which when finished will enhance the town centre
- It is anticipated that a planning application will be determined in Spring 2020 GDV is anticipated to be £14.5 million



#### **Creekside, Deptford, London [393 plots and commercial space]**

- The potential development GDV for the scheme is £184m
- The site is being promoted with our JV partners Galliard Developments
- The Site promotion is complex and involves additional education facilities to Trinity Laban an adjoining property owner.



# **KITEWOOD ESTATES LIMITED**

## **CHIEF EXECUTIVE'S REVIEW**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **Residential and Commercial Development – Strategic**

#### **Hillborough, Kent [7.8 hectares]**

- A development plan comprising of c180 residential units
- The land forms part of a wider site allocated for 130 homes

#### **Petworth, West Sussex**

- We have secured a site potentially for 46 new build houses that should generate a gross development value of £16 million.
- This is existing bare land allocated in the local plan and is considered non contentious.

#### **Woodhill Farm, Deal, Kent**

- Scheme for between 70 – 100 units controlled under a promotion agreement
- Planning strategy is being prepared.

#### **London Borough of Bromley**

- Kitewood are promoting a scheme for 66 one- and two-bedroom flats together with 6,000 sq.' ft' of office space,
- The anticipated gross development value being in the region of £28 million.

#### **Herne Bay, Kent [5.6 hectares]**

- Our land holding comprises allocated retail and commercial units
- The individual parcels are actively marketed with our partners Urban & Civic
- The opening of the Sainsbury retail unit has generated keen market interest





**KITEWOOD ESTATES LIMITED**  
**CHIEF EXECUTIVE'S REVIEW**  
**FOR THE YEAR ENDED 30 APRIL 2019**

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**Petworth, West Sussex**



**Bromley, London**



  
.....  
Mr P Van Reyk  
Chief Executive Officer  
21st January 2020

# KITEWOOD ESTATES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2019**

The directors present the strategic report for the year ended 30 April 2019.

### Fair review of the business

Whilst the group's turnover for the period had increased to £18.99m (£12.20m 2018) reflecting a lower direct new build income, the focus in the year had been to deliver developer profits through its JV arrangements and partnerships which has lifted the underlying post tax retained earnings to £0.64m (£4.66m 2018).

The Group has continued with a strong level of investment in both sites under construction and securing further land at a discount to open market value. Through its policy of acquiring sites at below market value, the businesses well placed to continue with its strong performance over the long term through securing planning consents.

£'m	2019	2018
Turnover	18.99	12.20
Retained earnings	0.64	4.66
Land & work in progress	27.39	30.10
Net asset value	19.25	18.62

The directors are confident that profitability can be sustained, and it is proposed that the group policy, to retain profits to supplement the group's reserves and finance the ongoing future developments, should remain.

### Principal risks and uncertainties

The company maintains a strategy to mitigate key risks and uncertainties common within its Industry Sector. The directors continually undertake an assessment of the main operational, financial and compliance risks to which the group may become exposed.

The main activities are the development of, and investment in, freehold property and the perceived financial risks are:

- a) Consumer confidence and macro-economic issues: Constant re-appraisal of the Group's re-investment and development programmes in real time.
- b) Lack of liquidity: Maintenance of a strong positive cashflow policy
- c) A conservative borrowing structure in respect of investment properties at a level of gearing to provide adequate margin of revenues over interest on related borrowings.

By order of the board

Mr J Faith

Director

21 January 2020

# **KITEWOOD ESTATES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2019**

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The directors present their annual report and financial statements for the year ended 30 April 2019.

### **Principal activities**

The principal activities of the group during the year were those of land and property owning, management and development of commercial, residential, affordable and key worker accommodation.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Faith  
Mr P O Van Reyk  
Mr D Faith  
Ms R M Van Reyk  
Mr S Millgate

### **Results and dividends**

The results for the year are set out on page 16.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Market value of land and buildings**

The overall development property interests in the group have an aggregate value of £32.0m (2018: £34.8m) which is £2.8m (2018: £2.8m) in excess of attributable cost values.

### **Future developments**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report Information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

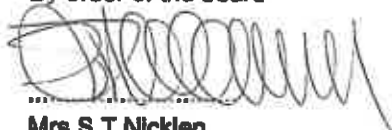
### **Auditor**

The auditor, HJS Accountants Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board



Mrs S T Nicklen  
Secretary

Date: 21<sup>st</sup> January 2020

# **KITEWOOD ESTATES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2019**

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The directors are responsible for preparing the Annual 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 company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and 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.



# **KITEWOOD ESTATES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF KITEWOOD ESTATES LIMITED**

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#### **Opinion**

We have audited the financial statements of Kitewood Estates Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

# **KITEWOOD ESTATES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF KITEWOOD ESTATES LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# KITEWOOD ESTATES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

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#### Use of our report

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.



**Mark Rogers FCCA (Senior Statutory Auditor)**  
**for and on behalf of HJS Accountants Limited**  
**Chartered Accountants and Statutory Auditor**  
12 -14 Carlton Place  
Southampton  
Hampshire  
England  
SO15 2EA

28/1/20

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# KITEWOOD ESTATES LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	18,993,717	12,200,950
Cost of sales		(14,845,001)	(10,467,293)
<b>Gross profit</b>		<b>4,148,716</b>	<b>1,743,657</b>
Administrative expenses		(1,884,922)	(2,231,305)
Other operating income		20,434	37,536
<b>Operating profit/(loss)</b>	<b>4</b>	<b>2,284,228</b>	<b>(450,112)</b>
Share of results of associates and joint ventures		(120,544)	5,632,978
Interest receivable and similar income	8	13,520	35,354
Interest payable and similar expenses	9	(1,599,498)	(1,314,553)
Amounts written off investments	10	(70,957)	450,217
<b>Profit before taxation</b>		<b>506,749</b>	<b>4,353,884</b>
Tax on profit	11	128,694	308,095
<b>Profit for the financial year</b>		<b>635,443</b>	<b>4,661,979</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		635,443	4,661,264
- Non-controlling interests		-	715
		<b>635,443</b>	<b>4,661,979</b>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		635,443	4,661,264
- Non-controlling interests		-	715
		<b>635,443</b>	<b>4,661,979</b>

# KITEWOOD ESTATES LIMITED

## GROUP BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	25,214		29,663	
Investment properties	13	4,653,058		4,653,058	
Investments	14	464,237		528,080	
		5,142,509		5,210,801	
<b>Current assets</b>					
Stocks	19	27,389,075		30,099,123	
Debtors	20	5,799,686		13,026,032	
Cash at bank and in hand		3,797,181		6,177,723	
		36,985,842		49,302,878	
<b>Creditors: amounts falling due within one year</b>	21	(22,289,650)		(34,708,514)	
<b>Net current assets</b>		14,696,292		14,594,364	
<b>Total assets less current liabilities</b>		19,838,801		19,805,165	
<b>Creditors: amounts falling due after more than one year</b>	22	-		(533,051)	
<b>Provisions for liabilities</b>	24	(584,433)		(653,189)	
<b>Net assets</b>		19,254,368		18,618,925	
<b>Capital and reserves</b>					
Called up share capital	27	36,248		36,248	
Capital redemption reserve		5,625		5,625	
Other reserves		2,784,650		2,784,650	
Profit and loss reserves		16,443,219		15,807,776	
<b>Equity attributable to owners of the parent company</b>		19,269,742		18,634,299	
<b>Non-controlling interests</b>		(15,374)		(15,374)	
		19,254,368		18,618,925	

The financial statements were approved by the board of directors and authorised for issue on 21<sup>st</sup> January 2020 and are signed on its behalf by:

  
Mr J Faith  
Director

# KITEWOOD ESTATES LIMITED

## COMPANY BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		25,214		29,663
Investments	14		146,803		870
			<u>172,017</u>		<u>30,533</u>
<b>Current assets</b>					
Stocks	19	4,369,215		3,947,087	
Debtors	20	14,775,816		19,967,942	
Cash at bank and in hand		3,423,292		5,112,029	
		<u>22,568,323</u>		<u>29,027,058</u>	
<b>Creditors: amounts falling due within one year</b>	21	(10,358,061)		(13,045,222)	
<b>Net current assets</b>			<u>12,210,262</u>		<u>15,981,836</u>
<b>Total assets less current liabilities</b>			<u>12,382,279</u>		<u>16,012,369</u>
<b>Capital and reserves</b>					
Called up share capital	27		36,248		36,248
Capital redemption reserve			5,625		5,625
Profit and loss reserves			<u>12,340,406</u>		<u>15,970,496</u>
<b>Total equity</b>			<u>12,382,279</u>		<u>16,012,369</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,630,090 (2018 - £2,261,670 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 21<sup>st</sup> January 2020 and are signed on its behalf by:

  
Mr J Faith  
Director

Company Registration No. 02852063

**KITEWOOD ESTATES LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 May 2017		40,748	1,125	3,002,771	12,938,394	15,983,038	(16,089)	15,966,949
Year ended 30 April 2018:								
Profit and total comprehensive income for the year		-	-	-	4,881,261	4,881,261	715	4,881,976
Redemption of shares	27	(4,500)	4,500	-	(2,010,000)	(2,010,000)	-	(2,010,000)
Transfers		-	-	(218,121)	218,121	-	-	-
Balance at 30 April 2018		36,248	5,625	2,784,650	15,807,776	18,634,299	(15,374)	18,618,925
Year ended 30 April 2019:								
Profit and total comprehensive income for the year		-	-	-	635,443	635,443	-	635,443
Balance at 30 April 2019		36,248	5,625	2,784,650	16,443,219	19,268,742	(15,374)	19,254,368



# KITEWOOD ESTATES LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Capital redemption reserve £	Own shares £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2017</b>		<b>40,748</b>	<b>1,125</b>	<b>2,071,271</b>	<b>13,647,566</b>	<b>15,760,700</b>
<b>Year ended 30 April 2018:</b>						
Profit and total comprehensive Income for the year		-	-	-	2,261,669	2,261,669
Redemption of shares	27	(4,500)	4,500	-	(2,010,000)	(2,010,000)
Transfers		-	-	(2,071,271)	2,071,271	-
<b>Balance at 30 April 2018</b>		<b>36,248</b>	<b>5,625</b>	<b>-</b>	<b>15,970,496</b>	<b>16,012,369</b>
<b>Year ended 30 April 2019:</b>						
Loss and total comprehensive Income for the year		-	-	-	(3,630,090)	(3,630,090)
<b>Balance at 30 April 2019</b>		<b>36,248</b>	<b>5,625</b>	<b>-</b>	<b>12,340,406</b>	<b>12,382,279</b>

**KITEWOOD ESTATES LIMITED**  
**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	31	3,492,758		(9,194,191)	
Interest paid		(1,599,498)		(1,314,553)	
Income taxes (paid)/refunded		-		11,712	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,893,260</b>		<b>(10,497,032)</b>	
<b>Investing activities</b>					
Other investments and loans made		(140,701)		-	
Interest received		13,520		35,354	
Dividends received		84,000		5,705,000	
<b>Net cash (used in)/generated from investing activities</b>		<b>(43,181)</b>		<b>5,740,354</b>	
<b>Financing activities</b>					
Redemption of shares		-		(2,014,500)	
Repayment of borrowings		(1,320,957)		423,521	
Repayment of bank loans		(2,981,135)		8,874,567	
<b>Net cash (used in)/generated from financing activities</b>		<b>(4,302,092)</b>		<b>7,283,588</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,452,013)</b>		<b>2,526,910</b>	
<b>Cash and cash equivalents at beginning of year</b>		<b>6,177,723</b>		<b>3,650,813</b>	
<b>Cash and cash equivalents at end of year</b>		<b>3,725,710</b>		<b>6,177,723</b>	
<b>Relating to:</b>					
Cash at bank and in hand		3,797,181		6,177,723	
Bank overdrafts included in creditors payable within one year		(71,471)		-	

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **1 Accounting policies**

#### **Company information**

Kitewood Estates Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 85 Gracechurch Street, London, EC3V 0AA.

The group consists of Kitewood Estates Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Kitewood Estates Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2019**

---

### **1 Accounting policies**

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.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised when all the risks and rewards are passed to the customer. For agreed contract developments this is based on stage of completion, for speculative builds this is on completion of sale.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% on reducing balance basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### **1.6 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# **KITEWOOD ESTATES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **1 Accounting policies**

#### **1.7 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2019**

---

### **1 Accounting policies**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.11 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2019

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#### 1 Accounting policies

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity Instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Derivatives

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

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

#### 1.14 Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **1 Accounting policies**

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

### **2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Realisable value of work in progress**

The work in progress is included in the financial statements at the lower of cost and net realisable value. The realisable value will be impacted by the ability to obtain planning permission on each development. The directors for each site have to make a judgement if planning permission will be obtained.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Valuation of investment property**

The directors consider the main area of judgement and key source of estimation uncertainty is the valuation of investment properties.

### **3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of land and buildings	<u>18,993,717</u>	<u>12,200,950</u>

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2019**

### 3 Turnover and other revenue

	2019 £	2018 £
Other revenue		
Interest income	13,520	35,354

### 4 Operating profit/(loss)

	2019 £	2018 £
Operating profit/(loss) for the year is stated after charging:		
Depreciation of owned tangible fixed assets	4,449	5,235
Cost of stocks recognised as an expense	13,338,791	9,162,812
Operating lease charges	71,274	83,570

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	46,650	47,400

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Admin staff	4	3	4	3
Management staff	6	5	6	5
Direct cost staff	2	1	2	1
	12	9	12	9

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 6 Employees

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,005,452	983,864	1,005,452	983,864
Social security costs	170,322	21,999	170,322	21,999
Pension costs	6,651	7,251	6,651	7,251
	<u>1,182,425</u>	<u>1,013,114</u>	<u>1,182,425</u>	<u>1,013,114</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	1,557,000	1,449,834
Company pension contributions to defined contribution schemes	849	-
	<u>1,557,849</u>	<u>1,449,834</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	<u>649,750</u>	<u>643,667</u>

### 8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	13,252	4,471
Other interest income	268	30,883
Total income	<u>13,520</u>	<u>35,354</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>13,252</u>	<u>4,471</u>
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# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 9 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,599,498	1,314,553

### 10 Amounts written off investments

	2019 £	2018 £
Amounts (written off)/written back to financial liabilities	(70,957)	450,217

### 11 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(11,712)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(128,694)	(296,383)
<b>Total tax credit</b>	<b>(128,694)</b>	<b>(308,095)</b>

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	506,749	4,353,884
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	96,282	827,238
Tax effect of expenses that are not deductible in determining taxable profit	(1,172)	555
Tax effect of income not taxable in determining taxable profit	36,825	(1,125,401)
Tax effect of utilisation of tax losses not previously recognised	(225,176)	(10,487)
Effect of change in corporation tax rate	(35,453)	-
<b>Taxation credit</b>	<b>(128,694)</b>	<b>(308,095)</b>

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 12 Tangible fixed assets

Group	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 May 2018 and 30 April 2019	120,732
<b>Depreciation and impairment</b>	
At 1 May 2018	91,069
Depreciation charged in the year	4,449
At 30 April 2019	95,518
<b>Carrying amount</b>	
At 30 April 2019	25,214
At 30 April 2018	29,663
<b>Company</b>	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 May 2018 and 30 April 2019	120,732
<b>Depreciation and impairment</b>	
At 1 May 2018	91,069
Depreciation charged in the year	4,449
At 30 April 2019	95,518
<b>Carrying amount</b>	
At 30 April 2019	25,214
At 30 April 2018	29,663

### 13 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 May 2018 and 30 April 2019	4,653,058	-

Investment property comprises of property interests held for their rental income. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 April 2019 by Mr J S Faith who is a director and RICS qualified. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	889	769
Investments in associates	16	1	1	1	1
Investments in joint ventures	17	464,236	528,079	100	100
Loans to joint ventures	17	-	-	146,833	-
		<u>464,237</u>	<u>528,080</u>	<u>146,803</u>	<u>870</u>

### Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 May 2018	528,080
Share of profit	20,157
Dividend received	(84,000)
At 30 April 2019	<u>464,237</u>
Carrying amount	
At 30 April 2019	<u>464,237</u>
At 30 April 2018	<u>528,080</u>



# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 14 Fixed asset investments

#### Movements in fixed asset investments Company

	Shares in group undertakings and participating interests	Loans to group undertakings and participating interests	Total
	£	£	£
Cost or valuation			
At 1 May 2018	870	-	870
Additions	100	145,833	145,933
At 30 April 2019	970	145,833	146,803
Carrying amount			
At 30 April 2019	970	145,833	146,803
At 30 April 2018	870	-	870

### 15 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 15 Subsidiaries

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Altira Business Park 1 Limited	A	Ordinary		100.00
Alton Heights Limited	A	Ordinary		100.00
Arlington Road Limited	A	Ordinary		100.00
Bentinck Projects Ltd	A	Ordinary	100.00	
Cascade Egham Limited	A	Ordinary		100.00
Chestfield Heights Limited	A	Ordinary		100.00
Creekside Village Developments Limited	A	Ordinary	100.00	
Crowncoast Ltd	A	Ordinary	75.00	
Global Court Limited	A	Ordinary		100.00
Kitewood Bromley Limited	A	Ordinary	100.00	
Greenwich 4 Limited	A	Ordinary	100.00	
Kingshall Heights Limited	A	Ordinary	100.00	
Kitewood (Charlwood) Ltd	A	Ordinary	100.00	
Kitewood (Churchill) Limited	A	Ordinary	100.00	
Kitewood (Clarendon) Limited	A	Ordinary	100.00	
Kitewood (Congleton Development) Limited	A	Ordinary	100.00	
Kitewood (Congleton Mill) Limited	A	Ordinary	100.00	
Kitewood (Fairclough Farm) Limited	A	Ordinary	100.00	
Kitewood (Sandgate) Limited	A	Ordinary	100.00	
Kitewood (Staveley) Ltd	A	Ordinary	100.00	
Kitewood (Sydenham) Limited	A	Ordinary	100.00	
Kitewood Bassels Green Limited	A	Ordinary	100.00	
Kitewood Commercial Limited	A	Ordinary	100.00	
Kitewood Development Projects Ltd	A	Ordinary	100.00	
Kitewood Developments Limited	A	Ordinary		100.00
Kitewood Homes Limited	A	Ordinary	100.00	
Kitewood Investment Ltd	A	Ordinary	100.00	
Kitewood Limited	A	Ordinary	100.00	
Kitewood Projects Limited	A	Ordinary	100.00	
Kitewood Properties Limited	A	Ordinary		100.00
Kitewood Residential Ltd	A	Ordinary	100.00	
Kitewood Lewes Ltd	A	Ordinary	100.00	
Kitewood Securities Limited	A	Ordinary	100.00	
May Street Developments Ltd	A	Ordinary	100.00	
Neville Way Ltd	A	Ordinary	100.00	
O.W. Prestand Limited	A	Ordinary		100.00
Octave Estates Limited	A	Ordinary	100.00	
Octave Homes Limited	A	Ordinary	100.00	
Orange Lane Limited	A	Ordinary		100.00
Padcroft Works Limited	A	Ordinary		100.00
Polegate Land Limited	A	Ordinary	100.00	
Tavistock Projects Ltd	A	Ordinary	100.00	
Kitewood (Astley Heights) Limited	A	Ordinary	100.00	

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 15 Subsidiaries

Registered office addresses (all UK unless otherwise indicated):

A 85 Gracechurch Street, London, EC3V 0AA

The following companies have taken exemption from audit under the Companies Act 2006, Section 479A:

Company name	Company No.
Altira Business Park 1 Ltd	05900438
Bentnick Projects Ltd	07298100
Chestfield Heights Ltd	06577149
Crowncoast Ltd	04398503
Global Court Ltd	05908389
Kingshall Heights Ltd	07298101
Kitewood Ltd	04113740
Kitewood (Charlwood) Ltd	07988473
Kitewood Homes Ltd	03321832
Kitewood Projects Ltd	03759193
Kitewood Securities Ltd	06798931
Kitewood (Staveley) Ltd	08168839
May Street Development Ltd	06086044
Neville way Ltd	07162885
Octave Homes Ltd	07199140
Orange Lane Ltd	08049305
O.W.Presland Ltd	00417888
Padcroft Works Ltd	05834135
Creekside Village Development Limited	07298013
Kitewood (Congleton Development) Ltd	09967117

### 16 Associates

Details of associates at 30 April 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
Kitewood (Creekside) Limited	3rd Floor Sterling House, Langston Road, Loughton, Essex, IG10 3TS	Ordinary shares	25.00

### 17 Joint ventures

Details of joint ventures at 30 April 2019 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct Indirect
Kitewood (Cossall) Limited	Crest House, Pycroft Road, Chertsey, Surrey, KT16 9GN	Ordinary	50.00
Altira Park JV LLP	50 New Bond Street, London, W1S 1BJ	Ordinary	50.00
Kitewood Congleton LLP	85 Gracechurch Street, London, EC3V 0AA	Ordinary	50.00
Kitewood (Braggs Lane) Limited	85 Gracechurch Street, London, EC3V 0AA	Ordinary	50.00

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 17 Joint ventures

The jointly controlled entity is accounted for using the equity method.

#### Kitewood (Peckham) Limited

The directors consider control of this company, which is owned by Kitewood (Cossall) Limited, is held by Kitewood Holdings Limited due to the sources of finance for the properties purchased and security given. For this reason the company has been included in the consolidated accounts of Kitewood Holdings Limited.

### 18 Financial Instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>5,618,077</u>	<u>12,418,604</u>	<u>14,455,051</u>	<u>18,001,698</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>22,283,710</u>	<u>34,917,715</u>	<u>10,352,121</u>	<u>13,004,890</u>

### 19 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Work in progress	<u>27,389,075</u>	<u>30,099,123</u>	<u>4,369,215</u>	<u>3,947,087</u>

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 20 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	438,795	353,088	116,940	316,275
Amounts owed by group undertakings	-	-	9,592,883	7,432,419
Other debtors	1,344,012	12,092,106	707,879	10,253,004
Prepayments and accrued income	115,584	160,677	591,384	1,353,912
	<u>1,898,371</u>	<u>12,605,871</u>	<u>11,009,086</u>	<u>19,355,610</u>
Deferred tax asset (note 24)	376,315	316,377	266,750	316,377
	<u>2,274,686</u>	<u>12,922,248</u>	<u>11,275,816</u>	<u>19,671,987</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	3,525,000	25,000	3,500,000	-
Prepayments and accrued income	-	78,784	-	295,955
	<u>3,525,000</u>	<u>103,784</u>	<u>3,500,000</u>	<u>295,955</u>
<b>Total debtors</b>	<u>5,799,686</u>	<u>13,026,032</u>	<u>14,775,816</u>	<u>19,967,942</u>

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

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	23	17,711,369	20,087,982	-	-
Other borrowings	23	-	1,250,000	-	1,250,000
Trade creditors		945,391	1,154,437	542,198	562,009
Amounts owed to group undertakings		-	-	7,407,925	2,246,483
Other taxation and social security		5,940	321,850	5,940	40,332
Deferred income	25	-	2,000	-	-
Other creditors		1,177,907	8,424,990	139,344	6,481,597
Accruals and deferred income		2,449,043	3,467,255	2,262,654	2,484,821
		<u>22,289,650</u>	<u>34,708,514</u>	<u>10,358,061</u>	<u>13,045,222</u>

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

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	23	-	533,051	-	-

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 23 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	17,639,898	20,621,033	-	-
Bank overdrafts	71,471	-	-	-
Other loans	-	1,250,000	-	1,250,000
	<u>17,711,369</u>	<u>21,871,033</u>	<u>-</u>	<u>1,250,000</u>
Payable within one year	17,711,369	21,337,982	-	1,250,000
Payable after one year	-	533,051	-	-
	<u>-</u>	<u>533,051</u>	<u>-</u>	<u>-</u>

The group's bank loans and overdrafts are secured by way of charges over the company's properties which are currently held as work in progress and as fixed assets.

### 24 Deferred taxation

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

Group	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Tax losses	-	-	376,316	316,377
Revaluations	584,433	653,189	-	-
	<u>584,433</u>	<u>653,189</u>	<u>376,316</u>	<u>316,377</u>

Company	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Tax losses	-	-	266,750	316,377
	<u>-</u>	<u>-</u>	<u>266,750</u>	<u>316,377</u>

Movements in the year:	Group 2019 £	Company 2019 £
Liability/(Asset) at 1 May 2018	336,812	(316,377)
(Credit)/charge to profit or loss	(128,694)	49,627
Liability/(Asset) at 30 April 2019	<u>208,118</u>	<u>(266,750)</u>



# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 24 Deferred taxation

The majority of the deferred tax liability set out above is expected to reverse in over 12 months and relates to the revaluations of property interests within investment properties.

### 25 Deferred Income

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other deferred income	-	2,000	-	-

### 26 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,651	7,251

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 27 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
33,747 Ordinary A of £1 each	33,747	33,747
2,500 Ordinary B of £1 each	2,500	2,500
1 Ordinary C of £1 each	1	1
	36,248	36,248

The company has four classes of ordinary shares. There are 33,747 ordinary A shares which give holders voting rights. There are 2,500 ordinary B shares which give holders no voting rights or entitlement to capital on winding up of the company. There is 1 ordinary C shares which give which give holders voting rights.

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 28 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	84,896	83,750	84,896	83,750
Between two and five years	339,584	8,030	339,584	6,604
In over five years	7,075	-	7,075	-
	<u>431,555</u>	<u>91,780</u>	<u>431,555</u>	<u>90,354</u>

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 29 Related party transactions

#### Remuneration of key management personnel

The directors consider the key management personnel to be the same as the directors of this company and therefore you can find the amount disclosed under the directors remuneration note.

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Services received	
	2019	2018
	£	£
<b>Group</b>		
Entities controlled by directors	<u>1,299,500</u>	<u>1,287,334</u>
<b>Company</b>		
Entities controlled by directors	<u>1,299,500</u>	<u>1,287,334</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2019	2018
	£	£
<b>Group</b>		
Non-director shareholders	793,194	793,194
Associated companies	<u>437,383</u>	<u>7,184,182</u>
<b>Company</b>		
Entities controlled by directors	430,632	430,632
Non-director shareholders	793,194	793,194
Associated companies	<u>-</u>	<u>6,185,674</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		
	2019		
	Balance	Provision	Net
	£	£	£
<b>Group</b>			
Associated companies	<u>5,035,252</u>	<u>1,453,371</u>	<u>3,581,881</u>
<b>Company</b>			
Associated companies	<u>4,995,252</u>	<u>1,453,371</u>	<u>3,541,881</u>

# KITEWOOD ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 30 Controlling party

There is no single ultimate controlling party of the company.

### 31 Cash generated from/(absorbed by) group operations

	2019 £	2018 £
Profit for the year after tax	635,443	4,661,979
Adjustments for:		
Share of results of associates and joint ventures	120,544	(5,632,978)
Taxation credited	(128,694)	(308,095)
Finance costs	1,599,498	1,314,553
Investment Income	(13,520)	(35,354)
Depreciation and Impairment of tangible fixed assets	4,449	5,235
Amounts written off Investments	70,957	(450,217)
Movements in working capital:		
Decrease/(Increase) in stocks	2,710,048	(9,926,471)
Decrease/(Increase) in debtors	7,286,284	(3,805,022)
(Decrease)/Increase in creditors	(8,790,251)	4,980,179
(Decrease)/Increase in deferred Income	(2,000)	2,000
Cash generated from/(absorbed by) operations	3,492,758	(9,194,191)