

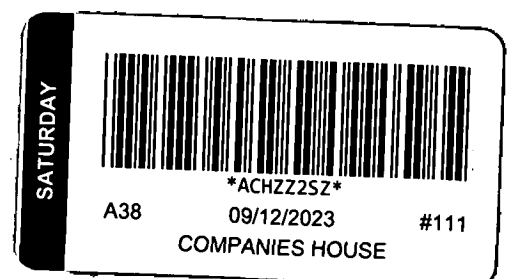
**Registered number: 00000086**

**Kentstone Properties Limited**

**Financial statements**

**Information for filing with the registrar**

**For the year ended 31 March 2023**



**Kentstone Properties Limited**  
Registered number: 00000086

**Balance sheet**  
**As at 31 March 2023**

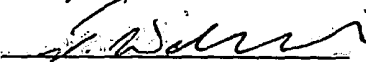
	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	5	32,601	2,063
Investments	6	845	845
Investment property	7	44,668,498	47,822,697
		<u>44,701,944</u>	<u>47,825,605</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	8	-	75,780
Debtors: amounts falling due within one year	8	935,213	945,524
Cash at bank and in hand	9	1,129,757	915,819
		<u>2,064,970</u>	<u>1,937,123</u>
Creditors: amounts falling due within one year	10	(2,211,765)	(1,664,011)
<b>Net current (liabilities)/assets</b>		<u>(146,795)</u>	<u>273,112</u>
<b>Total assets less current liabilities</b>		<u>44,555,149</u>	<u>48,098,717</u>
Creditors: amounts falling due after more than one year	11	(13,830,947)	(15,122,856)
<b>Provisions for liabilities</b>			
Deferred tax		(1,306,875)	(2,006,975)
<b>Net assets</b>		<u>29,417,327</u>	<u>30,968,886</u>
<b>Capital and reserves</b>			
Called up share capital		2,656,254	2,656,254
Capital redemption reserve		143,746	143,746
Profit and loss account		26,617,327	28,168,886
		<u>29,417,327</u>	<u>30,968,886</u>


The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 July 2023.

  
J M Wilkins  
Director

  
J L Hunter  
Director

The notes on pages 2 to 9 form part of these financial statements.

## **Kentstone Properties Limited**

### **Notes to the financial statements For the year ended 31 March 2023**

#### **1. General information**

Kentstone Properties Limited (the 'company') is a private company, limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is Suite 21, Evegate Park Barn, Smeeth, Ashford, Kent, TN25 6SX.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The directors have prepared financial projections for a period of 12 months following the date of approval of these financial statements based on a range of different assumptions. These projections are based on assumptions that the directors consider to be reasonable and achievable in light of the company's actual recent experience, actual rents received and from the anticipated revenues from existing and prospective clients.

##### **2.3 Revenue**

Rental income under operating leases is recognised on an accrual basis in the period in which it falls due.

Income from the sale of properties is recognised on the date of contract and when all material conditions of the contract have been met.

##### **2.4 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 charged on office furniture and equipment at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, of four years.

##### **2.5 Impairment of assets**

At each reporting 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.

Where the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised immediately in profit or loss.

**Notes to the financial statements  
For the year ended 31 March 2023**

**2. Accounting policies (continued)**

**2.6 Investment property**

The group classifies land and buildings as investment property when it is held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure.

Investment properties are subsequently re-measured to fair value at each reporting date with changes in fair value recognised in profit or loss. Fair value is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided.

**2.7 Investments**

Investments in group undertakings, associated undertakings and other participating interests are stated at cost less provision for impairment.

**2.8 Financial assets**

The company applies the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments to the extent that they are classified as loans.

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include shares in group companies, trade and other receivables and cash and bank balances, are initially measured at transaction price including 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.

*Loans and receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Impairment of financial assets*

Financial assets 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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

## **Kentstone Properties Limited**

### **Notes to the financial statements For the year ended 31 March 2023**

#### **2. Accounting policies (continued)**

##### **2.9 Financial liabilities**

Basic financial liabilities are initially measured 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.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

##### **2.10 Equity Instruments**

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

##### **2.11 Taxation**

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws which have been enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are generally recognised for all timing differences including the revaluation of investment properties 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 taxable 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 assets and liabilities are offset when the group has 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. Deferred tax balances are not discounted.

##### **2.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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.

##### **2.13 Employee benefits**

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

The pension scheme cost charged in the year represents contributions payable by the group into individual stakeholder pension schemes.

## **Kentstone Properties Limited**

### **Notes to the financial statements For the year ended 31 March 2023**

#### **2. Accounting policies (continued)**

#### **3. Critical accounting estimates and judgements**

In the application of the company'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 estimated revised, if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

##### **Critical judgements**

The critical judgement that the directors have made in the process of applying the company's policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

##### *Valuation of investment properties*

Judgement is applied by the directors when determining the fair value for investment properties. External valuations are performed on a periodic basis with directors' valuations performed in the intervening years. Professional judgement is applied in determining such things as an appropriate yield for a given property and estimated rental values.

##### *Assessing indicators of impairment*

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit partings and experience of recoverability.

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

The key estimation concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Estimating value in use*

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the value in use. The value in use calculation required the directors to estimate the future cashflows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

#### **4. Employees**

The average monthly number of employees, including directors, during the year was 4 (2022 - 4).

**Kentstone Properties Limited****Notes to the financial statements  
For the year ended 31 March 2023****5. Tangible fixed assets**

	<b>Other fixed assets £</b>
<b>Cost or valuation</b>	
At 1 April 2022	8,681
Additions	38,850
At 31 March 2023	<u>47,531</u>
<b>Depreciation</b>	
At 1 April 2022	6,618
Charge for the year on owned assets	8,312
At 31 March 2023	<u>14,930</u>
<b>Net book value</b>	
At 31 March 2023	<u>32,601</u>
At 31 March 2022	<u>2,063</u>

**6. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2022	845
At 31 March 2023	<u>845</u>

The investment in group undertakings comprise the following wholly owned subsidiaries:-

Kentstone Residential Limited a company incorporated in England and Wales, which did not trade during the year or the previous year.

Charles Lake Limited a company incorporated in England and Wales, which did not trade during the year or the previous year.

## Kentstone Properties Limited

### Notes to the financial statements For the year ended 31 March 2023

#### 7. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 April 2022	47,822,697
Additions at cost	837,310
Disposals	(998,901)
Surplus on revaluation	(2,992,608)
<b>At 31 March 2023</b>	<b>44,668,498</b>

The director J. Wilkins holds a professional qualification as a Registered Valuer with the Royal Institution of Chartered Surveyors and values the properties in the intermediate years between external valuations. J Wilkins valued the commercial portfolio on a fair value basis as at 31 March 2023. The valuation of the residential portfolio was based on the values reported by BNP in March 2021 and reviewed individually to assess their current market value. The Investment properties were externally valued at fair value by BNP Partners Real Estate on 31 March 2021.

The investment method involves the capitalisation of existing and future projected rental income, at an appropriate capitalisation rate calculated with reference to investment transactions within the market place. Allowance has been made for suitable marketing and incentive void periods and capital expenditure and purchaser's costs have been taken at the prevailing rate.

Where a property has a development angle they have been valued on a residual basis.

#### At 31 March 2023

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £	2022 £
Historic cost	35,669,071	34,872,590
	<u>35,669,071</u>	<u>34,872,590</u>



# **Kentstone Properties Limited**

## **Notes to the financial statements For the year ended 31 March 2023**

### **8. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Prepayments and accrued income	-	75,780
	-	75,780
	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	609,881	279,211
Prepayments and accrued income	325,332	666,313
	935,213	945,524

### **9. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	1,129,757	915,819
	1,129,757	915,819

### **10. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	784,857	360,143
Trade creditors	109,421	87,841
Amounts owed to group undertakings	845	845
Corporation tax	142,828	161,379
Other taxation and social security	117,715	124,025
Other creditors	6,372	5,908
Accruals and deferred income	1,049,727	923,870
	2,211,765	1,664,011

Within accruals and deferred income the company held £290,972 of deposits on behalf of their tenants.

## Kentstone Properties Limited

### Notes to the financial statements For the year ended 31 March 2023

#### 11. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	13,830,947	15,122,856
	<u>13,830,947</u>	<u>15,122,856</u>

As at 31 March 2023 the group had four bank loans which are all secured by fixed charges over certain of the group's investment properties. Three of the loans are repayable between 5th and 24th March 2026. The fourth loan was taken out on 24 March 2022 and is repayable by instalments with £41,143 due within one year with the final repayment by 25th March 2025. The loan of £8.2m is repayable by instalments of which £326,000 is repayable within one year. Each loan has a different interest arrangement from 1.25% plus Handelsbanken base rate, 2.25% and 2.68% above base rate and a fixed rate of 2.88%.

#### 12. Deferred taxation

	2023 £
At beginning of year	2,006,975
Charged to profit or loss	(700,100)
At end of year	<u>1,306,875</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Revaluations	1,306,875	2,006,975
	<u>1,306,875</u>	<u>2,006,975</u>

#### 13. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2023 was unqualified.

The audit report was signed on 11 July 2023 by Robert Sellers FCCA (Senior statutory auditor) on behalf of Kreston Reeves LLP.