

Registered number: 01338973

KESTERPORT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020



TWP Accounting LLP
Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

KESTERPORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KESTERPORT LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of Kesterport Limited (the 'Company') for the year ended 31 May 2020, which comprise the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2020 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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 Auditors' 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.

KESTERPORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KESTERPORT LIMITED (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

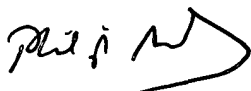
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

KESTERPORT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KESTERPORT LIMITED (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Philip Munk FCA FCCA (Senior Statutory Auditor)

for and on behalf of
TWP Accounting LLP

Chartered Accountants & Statutory Auditors

The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

Date:

26/2/2021

KESTERPORT LIMITED
REGISTERED NUMBER: 01338973

BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	-	3,764
Tangible assets	6	473,709	1,467,318
Investments	7	201	201
		<u>473,910</u>	<u>1,471,283</u>
Current assets			
Stocks	8	880,406	975,538
Debtors: amounts falling due within one year	9	248,344	616,841
Cash at bank and in hand	10	1,165,891	266,795
		<u>2,294,641</u>	<u>1,859,174</u>
Creditors: amounts falling due within one year	11	(665,971)	(1,410,624)
Net current assets		<u>1,628,670</u>	<u>448,550</u>
Total assets less current liabilities		<u>2,102,580</u>	<u>1,919,833</u>
Creditors: amounts falling due after more than one year	12	(1,178,575)	(234,174)
Provisions for liabilities			
Deferred tax	15	(6,819)	(15,881)
Other provisions	16	(296,267)	(195,691)
		<u>(303,086)</u>	<u>(211,572)</u>
Net assets		<u><u>620,919</u></u>	<u><u>1,474,087</u></u>
Capital and reserves			
Called up share capital	17	9,172	9,172
Share premium account		1,500	1,500
Capital redemption reserve		1,828	1,828
Profit and loss account		608,419	1,461,587
		<u>620,919</u>	<u>1,474,087</u>

KESTERPORT LIMITED
REGISTERED NUMBER: 01338973

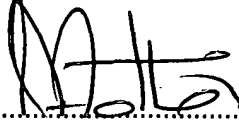
BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2020

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 profit and loss account 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



25/2/2021

.....
R D M Fletcher
Director

The notes on pages 6 to 16 form part of these financial statements.

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

Kesterport Limited is incorporated in England and Wales and limited by shares. The principal activity of the company is that of furniture importers and wholesalers. The address of the registered office is given in the company's information page of these financial statements.

The financial statements are rounded to the nearest £.

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 current COVID-19 pandemic has created uncertainty over the future financial implications to the worldwide economy. In order to preserve the company's finances, the Directors obtained a CBILS loan in May 2019 for £1m to secure its cash position and ability to manage cash flow during the Pandemic. Repayment of the loan is due to start in the middle of 2021, and will be funded out of future cash flow from trading. In addition, during the second half of 2020, the company traded profitably, and built up its cash reserves. The Directors are confident that the company has adequate financial resources to continue in operational existence for the foreseeable future and meet its financial obligations, and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises of revenue recognised by the company in respect of wholesale furniture goods sold during the year. Any amounts received in advance of good invoiced in later periods are carried forward as deferred income.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Website

Website expenditure is only recognised on the balance sheet where it is specifically for development, rather than for maintenance and general updates. The website is being amortised over 3 years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% - 6.67% on cost
Plant and machinery	- 20% on cost
Motor vehicles	- 20% on cost
Office equipment	- 20% - 33.33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.13 Valuation of investments

Subsidiary Undertakings:

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £10,350 (2019 - 10,075).

4. Employees

The average monthly number of employees, including directors, during the year was 28 (2019 - 28).

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

5. Intangible assets

	Website £	Total £
Cost		
At 1 June 2019	20,020	20,020
At 31 May 2020	<u>20,020</u>	<u>20,020</u>
Amortisation		
At 1 June 2019	16,256	16,256
Charge for the year on owned assets	3,764	3,764
At 31 May 2020	<u>20,020</u>	<u>20,020</u>
Net book value		
At 31 May 2020	<u>-</u>	<u>-</u>
At 31 May 2019	<u>3,764</u>	<u>3,764</u>

KESTERPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

6. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 June 2019	1,980,150	32,880	387,147	451,020	2,851,197
Additions	1,713	600	-	10,118	12,431
Disposals	(1,572,455)	-	-	-	(1,572,455)
At 31 May 2020	409,408	33,480	387,147	461,138	1,291,173
Depreciation					
At 1 June 2019	629,105	16,100	324,831	413,843	1,383,879
Charge for the year on owned assets	32,955	-	3,859	8,625	45,439
Charge for the year on financed assets	4,179	3,597	26,046	12,555	46,377
Disposals	(658,231)	-	-	-	(658,231)
At 31 May 2020	8,008	19,697	354,736	435,023	817,464
Net book value					
At 31 May 2020	401,400	13,783	32,411	26,115	473,709
At 31 May 2019	1,351,045	16,780	62,316	37,177	1,467,318

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	32,411	50,231
Office equipment	48,277	44,355
	<u>80,688</u>	<u>94,586</u>

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2019	201
At 31 May 2020	<u>201</u>

8. Stocks

	2020 £	2019 £
Stocks	880,406	975,538
	<u>880,406</u>	<u>975,538</u>

9. Debtors

	2020 £	2019 £
Trade debtors	150,877	511,021
Other debtors	3,224	2,760
Prepayments and accrued income	94,243	103,060
	<u>248,344</u>	<u>616,841</u>

10. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,165,891	266,795
	<u>1,165,891</u>	<u>266,795</u>

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	88,191	80,038
Trade creditors	226,544	381,117
Amounts owed to group undertakings	1,555	-
Other taxation and social security	214,387	275,676
Obligations under finance lease and hire purchase contracts	23,291	26,475
Other creditors	4,062	219,280
Accruals and deferred income	107,941	428,038
	<u>665,971</u>	<u>1,410,624</u>

The bank loans of £88,191 (2019- £80,038) are secured by a fixed charge over the freehold property held by the company and by a fixed and floating charge over all the assets of the company. The hire purchase agreements of £23,291 (2019- £26,475) are secured on the assets to which they relate.

12. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	1,148,588	211,977
Net obligations under finance leases and hire purchase contracts	29,987	22,197
	<u>1,178,575</u>	<u>234,174</u>

The bank loans of £1,148,588 (2019 - £211,977) are secured by a fixed charge over the freehold property held by the company and by a fixed and floating charge over all the assets of the company.

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

13. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	88,191	80,038
	<u>88,191</u>	<u>80,038</u>
Amounts falling due 1-2 years		
Bank loans	274,458	88,358
	<u>274,458</u>	<u>88,358</u>
Amounts falling due 2-5 years		
Bank loans	657,463	123,619
	<u>657,463</u>	<u>123,619</u>
Amounts falling due after more than 5 years		
Bank loans	216,667	-
	<u>216,667</u>	<u>-</u>
	<u>1,236,779</u>	<u>292,015</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	23,292	26,475
Between 1-5 years	29,986	22,197
	<u>23,292</u>	<u>22,197</u>

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

15. Deferred taxation

	2020 £
At beginning of year	(15,881)
Charged to profit or loss	9,062
At end of year	(6,819)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(6,819)	(15,881)
	<u>(6,819)</u>	<u>(15,881)</u>

16. Provisions

	Deferred income £
At 1 June 2019	195,691
Charged to profit or loss	100,576
At 31 May 2020	296,267

The income received in advance at the year end was £296,267 (2019 - £195,691).

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
9,090 (2019 - 9,090) Class "A" ordinary shares of £1.00 each	9,090	9,090
82 (2019 - 82) Class "B" ordinary shares of £1.00 each	82	82
	<u>9,172</u>	<u>9,172</u>

KESTERPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £35,195 (2019 - £78,686). Contributions totalling £4,062 (2019 - £5,787) were payable to the fund at the balance sheet date and are included in creditors.

19. Other financial commitments

At 31 May 2020 the company was committed to £716,131 (2019 - £1,358,322) in respect of forward currency contracts. Fair value measurement at the year end amounted to an derivative gain of £9,383 (2019 - £54,738).

20. Transactions with directors

At the beginning of the year the company owed £213,493 to R D M Fletcher and N Fletcher, the director and his spouse. During the year advances totalling £42,500 were made and total repayments of £271,092 were received. Interest between 2.25% and 2.5% has been charged on the outstanding loan and amounted to £134. At the end of the year the balance due from the directors of £22,364 was repaid in full.

21. Related party transactions

The company is a wholly owned subsidiary and accordingly has taken the exemptions provided within paragraph 33.1A of FRS 102 and therefore transactions with group companies have not been disclosed.

22. Ultimate parent undertaking and controlling party

During the year, on 21 March 2020, the then entire issued share capital, owned by R D M Fletcher and N Fletcher, was acquired by Kestrel House Holdings Limited through share for share exchanges, a company incorporated in England and Wales. The ultimate controlling parties are R D M Fletcher and N Fletcher by virtue of shareholding in Kestrel House Holdings Limited.