

K & W DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Gerald Thomas
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3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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DIRECTORS: H M Leach
G O Leach

SECRETARY: H M Leach

REGISTERED OFFICE: Creswell House
Field Way
Cardiff
South Glamorgan
CF14 4UH

REGISTERED NUMBER: 03695736 (England and Wales)

ACCOUNTANTS: Gerald Thomas
Chartered Accountants
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment and development.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

H M Leach
G O Leach

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

H M Leach - Director

8 September 2022

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
TURNOVER	450,191	472,179
Administrative expenses	<u>104,426</u>	<u>410,192</u>
OPERATING PROFIT	345,765	61,987
Interest payable and similar expenses	<u>111,382</u>	<u>126,459</u>
PROFIT/(LOSS) BEFORE TAXATION	234,383	(64,472)
Tax on profit/(loss)	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>234,383</u>	<u>(64,472)</u>

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		-		-
Investments	5		-		-
Investment property	6		<u>6,279,867</u>		<u>6,279,867</u>
			6,279,867		6,279,867
CURRENT ASSETS					
Debtors	7	897,548		733,532	
Cash at bank		<u>54,830</u>		<u>148,771</u>	
		952,378		882,303	
CREDITORS					
Amounts falling due within one year	8	<u>2,775,077</u>		<u>2,639,873</u>	
NET CURRENT LIABILITIES			<u>(1,822,699)</u>		<u>(1,757,570)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,457,168		4,522,297
CREDITORS					
Amounts falling due after more than one year	9		<u>3,768,865</u>		<u>4,068,377</u>
NET ASSETS			<u>688,303</u>		<u>453,920</u>
CAPITAL AND RESERVES					
Called up share capital	11		120		120
Retained earnings			<u>688,183</u>		<u>453,800</u>
SHAREHOLDERS' FUNDS			<u>688,303</u>		<u>453,920</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

The 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 8 September 2022 and were signed on its behalf by:

H M Leach - Director

G O Leach - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

K & W Developments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "small entities" and the Companies Act 2006.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

Going concern

In preparing the financial statements, the directors have considered the current financial position of the company and the likely future cashflows. At the date of issuing the financial statements, the directors concluded that it is appropriate to prepare the financial statements on a going concern basis. The directors expect to continue to reduce bank borrowings from ongoing operations.

The company meets its day to day working capital requirements through the use of loan financing. The directors are satisfied that the support of the company's loan providers will continue for the foreseeable future.

On this basis the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about K & W Developments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

In application of the company's accounting policy's, the directors are required to make judgments, 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 relevant. Actual results may differ from these results.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Turnover

All turnover is derived from property rental in the UK.

Revenue recognition

Revenue is recognised in accordance with the respective lease agreements that are in place with tenants. Revenue is recognised in the period to which it relates in accordance with lease agreements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Tangible fixed assets are measured at cost less accumulated depreciation and impairment provisions. Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures, Fittings and equipment	20 - 33% straight line
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Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Basic financial assets

Basic financial assets, which include trade 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.

Basic financial liabilities

Basic financial liabilities, including trade creditors 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.

Derecognition of financial assets

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Derecognition of financial liabilities

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash at bank and in hand

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Equity instruments

Equity instruments issued by the company 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 company.

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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2020 - 2) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2021 and 31 December 2021	<u>14,921</u>
DEPRECIATION	
At 1 January 2021 and 31 December 2021	<u>14,921</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

5. FIXED ASSET INVESTMENTS

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

K & W Development (Wales) Limited

Registered office: Cresswell House, Fieldway, Heath, Cardiff, CF14 4UH

Nature of business:

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(2,064,096)	(2,062,742)
Loss for the year		<u>(1,354)</u>	<u>(254,303)</u>

6. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021 and 31 December 2021	<u>6,279,867</u>
NET BOOK VALUE	
At 31 December 2021	<u>6,279,867</u>
At 31 December 2020	<u>6,279,867</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
6. INVESTMENT PROPERTY - continued

Investment properties are stated at open market value as at 31 December 2021.

Freehold investment properties held by the company were valued by a local firm of chartered surveyors. The valuations were made in accordance with requirements of the RICS Appraisal and Valuation Standards. The valuation was made on the basis of the market value assuming that the properties would be sold subject to any existing leases.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	270,243	164,727
Amounts owed by group undertakings	627,305	567,305
Other debtors	-	1,500
	<u>897,548</u>	<u>733,532</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts	287,000	286,973
Trade creditors	20,207	23,499
Amounts owed to related parties	2,293,773	2,143,774
Social security and other taxes	-	44,688
VAT	26,440	-
Other creditors	6,000	-
Accruals and deferred income	141,657	140,939
	<u>2,775,077</u>	<u>2,639,873</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans - 1-2 years	2,400,118	2,699,630
Other creditors	<u>1,368,747</u>	<u>1,368,747</u>
	<u>3,768,865</u>	<u>4,068,377</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
10. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>2,687,118</u>	<u>2,986,603</u>

A loan with The Principality building society amounting to £1,807,781 (2020 : £1,999,610) bears interest as a fixed rate of 2.83% until March 2030 and is secured by legal charges over properties owned by the company. The loan is repayable in full in monthly instalments by March 2030.

A loan with The Principality building society amounting to £879,337 (2020 : £986,993) bears interest at 3.16% above LIBOR and is secured by legal charges over property owned by the company. The loan is repayable in monthly installments and amortises to £550,000 by December 2024. Refinancing or repayment of £550,000 will be required in December 2024.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
120	Ordinary	£1	<u>120</u>	<u>120</u>

12. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be an ultimate controlling party. Knox and Wells Holdings Limited, a company registered in England & Wales, owns 50% of the equity share capital of the company. The other 50% shareholding is split equally between two individuals each owning 25% of the equity share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.