

KITEWOOD ESTATES LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

PARENT COMPANY ACCOUNTS

SUBSIDIARY CE NAME: KITEWOOD LTD.

SUBSIDIARY CE NO: 04113740

THURSDAY



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04/03/2021

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COMPANIES HOUSE

KITEWOOD ESTATES LIMITED

COMPANY INFORMATION

Directors	Mr J Faith Mr P O Van Reyk Mr D Falth Ms R M Van Reyk Mr S Millgate
Secretary	Mrs S T Nicklen
Company number	02852063
Registered office	85 Gracechurch Street London EC3V 0AA
Auditor	HJS (Reading) Limited 3 Richfield Place Richfield Avenue Reading Berkshire RG1 8EQ

KITEWOOD ESTATES LIMITED

CONTENTS

	Page
Chairman's statement	1
Chief Executive's review	2 - 11
Strategic report	12
Directors' report	13 - 14
Directors' responsibilities statement	15
Independent auditor's report	16 - 18
Statement of comprehensive income	19
Group balance sheet	20
Company balance sheet	21
Group statement of changes in equity	22
Company statement of changes in equity	23
Group statement of cash flows	24
Notes to the financial statements	25 - 46

KITEWOOD ESTATES LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

As we came into the start of our 2019/20 financial year, as with all developers we were faced with the continued political dilemma's around Brexit and its impact on the economy.

Despite the economic challenges and a slow and overly complicated planning system I am pleased to report another strong year for our Group of Companies.

The Covid-19 effects have had little impact on our trading leading up to April 2020., and subsequently we have managed to maintain a good level of sales take up. We continue to weather the ongoing wider economic impacts and remain ever vigilant to risks and opportunities as they present themselves.

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

Regarding our long-term strategy, we endeavour to maintain a strong cash position in addition to our extensive land holdings, and subject to suitable economic conditions, outlook, and suitable available opportunity, add to these holdings, where we can utilise our skills to add significant value.

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

26th January 2021

KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

When I reported in the previous year the challenging backdrop was primarily around the continued uncertainty from Brexit, but more significantly this uncertainty had been surpassed by that created from the Covid-19 pandemic. Our financial results to April 2020 were largely unaffected by Covid-19, having been achieved prior to the first national lockdown.

The company achieved some significant planning gains in the period, which will further underpin the underlying strength of our Balance Sheet in future periods.

We continued to invest in our future land bank, and its ongoing planning promotion. We secured new strategic sites near St Albans, Deal and Gillingham, which further enhances our long-term strategic portfolio.

Amid the 'pandemic' backdrop our sales to the financial year end., and through the first 9 months of our current business year have remained robust.

Our investment in both consented and pipeline sites stands at

- 2,480 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

Dittons Fields, Polegate, East Sussex



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential Development – In construction/built

Dittons Fields, Polegate, East Sussex [46]

- Phase 1 build complete; Phase 2 under construction, completion due summer 2021
- Value engineered the site adding a further plot
- Completed plot sales: 1
- Forward sales post year end: 26 of which 18 have completed
- Average plot selling price: £ 341,900

Puffin Road, Hillborough, Kent [40 plots]

- Scheme promoted and planning secured by Kitewood
- Site forward sold to Orbit Housing
- JCT contract secured to build for Orbit Housing Association
- Construction work commenced

Lawrie Park Place, Sydenham, London [46 plots]

- Build complete
- Completed plot sales: 39
- Forward sales post year end: 7 of which 7 have now completed
- Average plot selling price: £ 1,176,000

Woodacres, Hailsham, East Sussex [74 plots]

- Build complete
- Completed plot sales: 71
- Forward sales post year end: 3 of which 3 have completed
- Average plot selling price: £ 323,000
- Planning applied for a further 9 plots

Clarendon Place, Salisbury, Wiltshire [8 plots]

- Build complete
- Completed plot sales: 7
- Forward sales post year end: 1 completed
- Average plot selling price: £ 364,400

KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential Development – In construction/built

Dittons Fields, Polegate, East Sussex



Dittons Fields, Polegate, East Sussex (internal)



Puffin Road, Hillborough (site progress – foundations laid)



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential Development – In construction/built

Lawrie Park Place, Sydenham (street scene)



Arlington Road, Hailsham, East Sussex (completed scheme – final phase)



Clarendon Place, Salisbury (plot 7)



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential Development – Consented

Chestfield, Kent [300 plots + employment space]

- Site granted planning for 300 residential units, and 37,700 sq. ft of commercial/employment space. We have progressed our development plans
- Our first phases, comprising 98 private units in total, are having pre-start conditions cleared with a formal on-site build start in Summer 2021

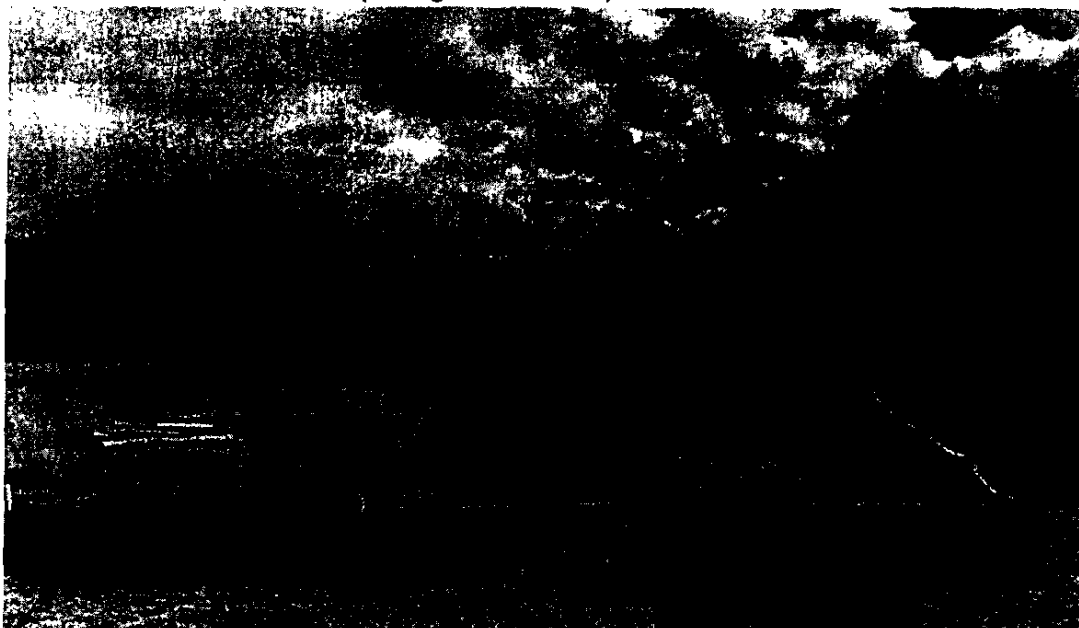
Creekside, Deptford, London [393 plots and commercial space]

- Planning consent (subject to s106 Agreement) has been secured
- The potential development GDV for the scheme is £184m
- The site is owned together with our JV partners Galliard Developments

Sandgate, Kent [10 plots]

- Project commencement anticipated in summer 2021
- Average plot selling price: £ 592,000

Grasmere Gardens, Chestfield (ecological clearance)



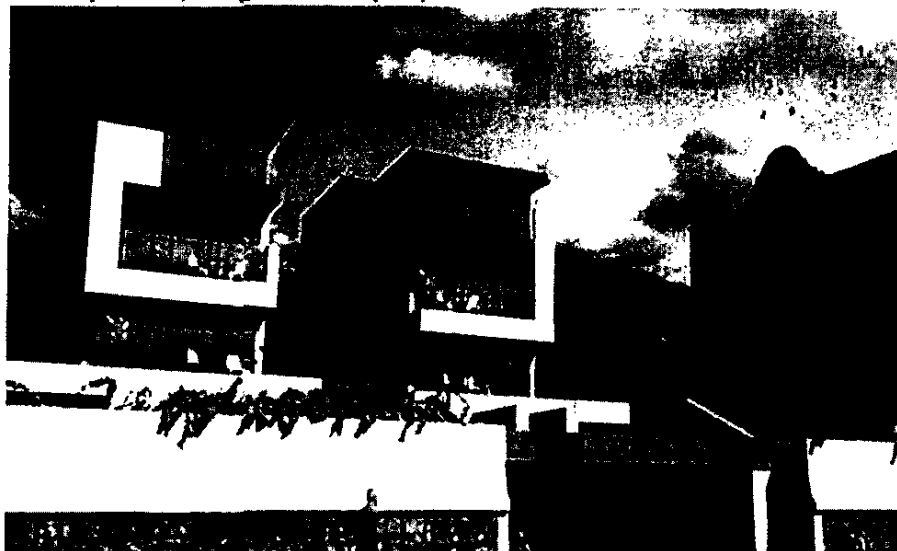
KITEWOOD ESTATES LIMITED
CHIEF EXECUTIVE'S REVIEW
FOR THE YEAR ENDED 30 APRIL 2020

Residential Development – Consented

Creekside, Lewisham, London (CGI)



The Esplanade, Sangate, Kent (CGI)



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential and Commercial Development – In planning & strategic (extract)

Lewes, East Sussex

- A scheme for 20 houses and 8 apartments in Lewes town centre
- Target planning application will be determined in Spring 2021
- GDV is anticipated to be £14.5 million

Holtsmere, St Albans [50 acres]

- Part of a consortium to develop a new Garden Community Town bordering Hemel Hempstead providing 11,000 homes & employment use
- Long term strategic investment to provide Kitewood with 500 units

Hillborough, Kent [7.8 hectares]

- A development plan comprising of c180 residential units
- The land forms part of a wider site allocated for 1300 homes
- Target planning – Spring 2021

Petworth, West Sussex

- An allocated site for 46 plots, with anticipated GDV of £16 million
- Planning submission anticipated summer 2021

Woodhill Farm, Deal, Kent

- Draft allocation in Local Authority strategic plan for 90 units
- Planning application being prepared for submission in Autumn 2021

London Borough of Bromley

- Planning submitted on a scheme for 66 one and two bedroom flats together with 6,000 sq. ft of office space. Determination expected Summer 2021
- 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

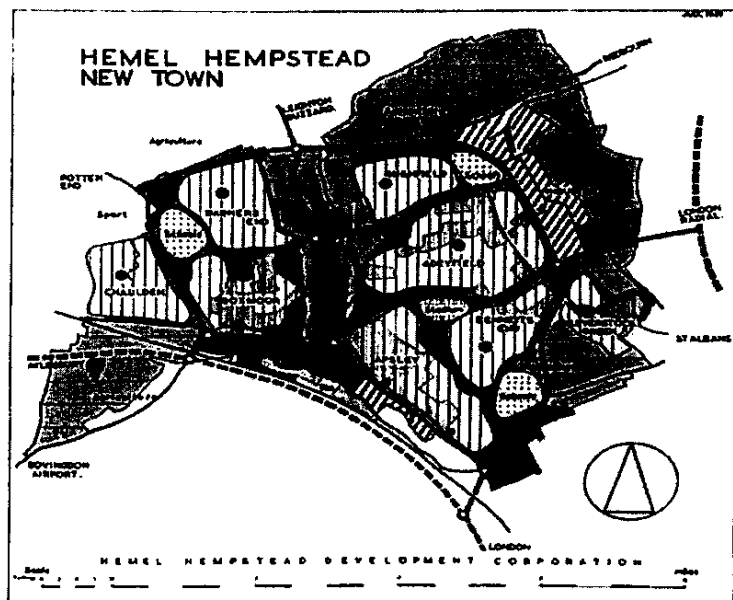
FOR THE YEAR ENDED 30 APRIL 2020

Residential and Commercial Development – In planning & strategic (extract)

Lewes, East Sussex (town centre)



Hemel Hempstead, Hertfordshire (new town garden layout)



KITEWOOD ESTATES LIMITED
CHIEF EXECUTIVE'S REVIEW
FOR THE YEAR ENDED 30 APRIL 2020

Residential and Commercial Development – In planning & strategic (extract)

Woodhill Farm, Deal, Kent (feasibility layout)



KITEWOOD ESTATES LIMITED

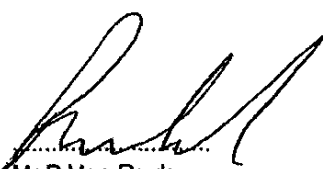
CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

Residential and Commercial Development – In planning & strategic (extract)

Altira Business Park, Herne Bay, Kent




Mr P Van Reyk
Chief Executive Officer
26th January 2021

KITEWOOD ESTATES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present the strategic report for the year ended 30 April 2020.

Fair review of the business

The group's turnover has increased by 15% year on year to £21.78m (£18.99m 2019). The underlying numbers however reflect a change in the mix of activity with increased volume's of new home sales, with a drop in JV profits as pre-existing schemes come to an end.

The group continues to invest in new opportunities including new sites in Kent and Hemel Hempstead. The results reflect the purchase of a key development opportunity in Kent. The group have recognised in the financial statements the an uplift in investment properties of £8m.

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	2020	2019
Turnover	21.78	18.99
Retained earnings	2.68	0.64
Land & work in progress	20.49	27.39
Net asset value	20.31	19.25

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:

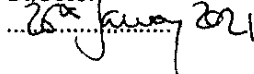
- a) Consumer confidence and macro-economic issues: Constant re-appraisal of the Group's re-investment and development programmes in real time.
- b) Lack of liquidity: Maintenance of a strong positive cashflow policy
- c) A conservative borrowing structure in respect of investment properties at a level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

By order of the board



Mr J Faith

Director



KITEWOOD ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the year ended 30 April 2020.

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.

Results and dividends

The results for the year are set out on page 19.

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

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

Post reporting date events

The Directors have considered the ongoing impact of COVID-19 on its business activities. In particular in regard to :

- Trading activity
- Asset value
- Going concern

The results for the period to 30th April 2020 have, in the main, have been unaffected by the developing pandemic. The Directors have had due regard to the implications arising from the ongoing pandemic upon the future trading activity.

The Directors consider that the financial impacts to be limited, given the nature of its business and of its medium to long-term plans.

The Directors are actively monitoring the unfolding situation.

Consequently, the Directors do not presently consider any going concern issues.

Market value of land and buildings

The overall property interests in the group have an aggregate value of £34.1m (2019: £32.0m) which is £5.0m (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

HJS (Reading) Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

KITEWOOD ESTATES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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: 26th January 2021

KITEWOOD ESTATES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

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 (CONTINUED)

TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

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

KITEWOOD ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

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 2020 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 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 2020 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.

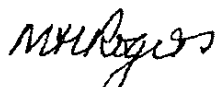
KITEWOOD ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

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 (Reading) Limited
Chartered Accountants and Statutory Auditor
3 Richfield Place
Richfield Avenue
Reading
Berkshire
RG1 8EQ

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KITEWOOD ESTATES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2019 £
Turnover	3	21,777,509	18,993,717
Cost of sales		(17,719,361)	(14,845,001)
Gross profit		4,058,148	4,148,716
Administrative expenses		(2,148,277)	(1,884,922)
Other operating income		78,708	20,434
Exceptional item	5	(10,000)	-
Operating profit	4	1,978,579	2,284,228
Share of results of associates and joint ventures		91,452	142,472
Interest receivable and similar income	8	179,806	(249,496)
Interest payable and similar expenses	10	(1,381,697)	(1,599,498)
Amounts written off investments	11	-	(70,957)
Fair value gains and losses on investment properties	15	2,738,000	-
Profit before taxation		3,606,140	506,749
Tax on profit	12	(928,355)	128,694
Profit for the financial year		2,677,785	635,443

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

KITEWOOD ESTATES LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	13	5,759,483		-	
Tangible assets	14	21,787		25,214	
Investment properties	15	7,543,478		4,653,058	
Investments	16	297,301		464,237	
		<u>13,622,049</u>		<u>5,142,509</u>	
Current assets					
Stocks	20	20,490,305		27,389,075	
Debtors	22	5,374,028		5,799,686	
Cash at bank and in hand		5,026,452		3,797,181	
		<u>30,890,785</u>		<u>36,985,942</u>	
Creditors: amounts falling due within one year	23	(23,025,849)		(22,289,650)	
Net current assets		<u>7,864,936</u>		<u>14,696,292</u>	
Total assets less current liabilities		<u>21,486,985</u>		<u>19,838,801</u>	
Provisions for liabilities					
Deferred tax liability	25	1,173,410		584,433	
		<u>(1,173,410)</u>		<u>(584,433)</u>	
Net assets		<u>20,313,575</u>		<u>19,254,368</u>	
Capital and reserves					
Called up share capital	27	36,248		36,248	
Capital redemption reserve		5,625		5,625	
Other reserves		5,002,430		2,784,650	
Profit and loss reserves		15,284,640		16,443,219	
		<u>20,328,943</u>		<u>19,269,742</u>	
Equity attributable to owners of the parent company		<u>20,328,943</u>		<u>19,269,742</u>	
Non-controlling interests		(15,368)		(15,374)	
		<u>20,313,575</u>		<u>19,254,368</u>	

The financial statements were approved by the board of directors and authorised for issue on 26th January 2021 and are signed on its behalf by:

Mr J Faith
Director

KITEWOOD ESTATES LIMITED

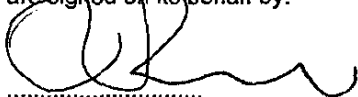
COMPANY BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14		21,787		25,214
Investments	16		146,903		146,803
			<u>168,690</u>		<u>172,017</u>
Current assets					
Stocks	20	4,373,803		4,369,215	
Debtors	22	17,377,548		14,775,816	
Cash at bank and in hand		4,290,209		3,423,292	
		<u>26,041,560</u>		<u>22,568,323</u>	
Creditors: amounts falling due within one year	23	(13,089,593)		(10,358,061)	
Net current assets			<u>12,951,967</u>		<u>12,210,262</u>
Total assets less current liabilities			<u>13,120,657</u>		<u>12,382,279</u>
Capital and reserves					
Called up share capital	27		36,248		36,248
Capital redemption reserve			5,625		5,625
Profit and loss reserves			13,078,784		12,340,406
Total equity			<u>13,120,657</u>		<u>12,382,279</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 profit for the year was £738,378 (2019 - £3,630,090 loss).

The financial statements were approved by the board of directors and authorised for issue on 26th January 2021 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 2020

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non- controlling interest	Total
	£	£	£	£	£	£	£
Balance at 1 May 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	19,269,742	(15,374)	19,254,368
Year ended 30 April 2020:							
Profit and total comprehensive income for the year	-	-	-	2,677,785	2,677,785	-	2,677,785
Transfers	-	-	2,217,780	(2,217,780)	-	-	-
Acquisition of subsidiary	-	-	-	-	-	6	6
Acquisition adjustment	-	-	-	(1,618,584)	(1,618,584)	-	(1,618,584)
Balance at 30 April 2020	36,248	5,625	5,002,430	15,284,640	20,328,943	(15,368)	20,313,575

KITEWOOD ESTATES LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 APRIL 2020**

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2018	36,248	5,625	15,970,496	16,012,369
Year ended 30 April 2019:				
Loss and total comprehensive income for the year	-	-	(3,630,090)	(3,630,090)
Balance at 30 April 2019	36,248	5,625	12,340,406	12,382,279
Year ended 30 April 2020:				
Profit and total comprehensive income for the year	-	-	738,378	738,378
Balance at 30 April 2020	36,248	5,625	13,078,784	13,120,657

KITEWOOD ESTATES LIMITED
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	31	11,932,215		3,492,758	
Interest paid		(1,381,697)		(1,599,498)	
Net cash inflow from operating activities		10,550,518		1,893,260	
Investing activities					
Purchase of business		(1,824,803)		-	
Purchase of intangible assets		(5,759,483)		-	
Purchase of tangible fixed assets		(417)		-	
Other investments and loans made		-	(140,701)		
Interest received		179,806	13,520		
Dividends received		-	84,000		
Net cash used in investing activities		(7,404,897)		(43,181)	
Financing activities					
Repayment of borrowings		-	(1,320,957)		
Proceeds of new bank loans		10,482,820	-		
Repayment of bank loans		(12,327,699)	(2,981,135)		
Net cash used in financing activities		(1,844,879)		(4,302,092)	
Net increase/(decrease) in cash and cash equivalents		1,300,742		(2,452,013)	
Cash and cash equivalents at beginning of year		3,725,710		6,177,723	
Cash and cash equivalents at end of year		5,026,452		3,725,710	
Relating to:					
Cash at bank and in hand		5,026,452		3,797,181	
Bank overdrafts included in creditors payable within one year		-		(71,471)	

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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 Business combinations

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.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Kitewood Estates Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 April 2020. 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 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. 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 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.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 Years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

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
--------------------------------	-------------------------------

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.

1.8 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.

1.9 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

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.

1.11 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 the lower of cost and replacement 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.

1.12 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

1.13 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.

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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

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.

Derecognition of financial liabilities

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

1.14 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.

1.15 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.

1.16 Taxation

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

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

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.

1.17 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.

1.18 Retirement benefits

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

1.19 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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:

	2020 £	2019 £
Turnover analysed by class of business		
Sale of land and buildings	21,777,509	18,993,717

	2020 £	2019 £
Other revenue		
Interest income	179,806	13,520

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	3,844	4,449
Operating lease charges	84,388	71,274

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

5	Exceptional costs	2020	2019
		£	£
	Bad debt write off	10,000	-
		<u>10,000</u>	<u>-</u>
6	Auditor's remuneration	2020	2019
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	46,650	46,650
7	Directors' remuneration	2020	2019
		£	£
	Remuneration for qualifying services	265,375	257,500
	Company pension contributions to defined contribution schemes	1,316	849
	Sums paid to third parties for directors' services	1,312,276	1,299,500
		<u>1,578,967</u>	<u>1,557,849</u>
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2020	2019
		£	£
	Remuneration for qualifying services	656,138	649,750
8	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest on bank deposits	15,723	13,252
	Other interest income	164,083	268
	Total interest revenue	<u>179,806</u>	<u>13,520</u>
	Income from fixed asset investments		
	Income from participating interests - joint ventures	-	(263,016)
	Total income	<u>179,806</u>	<u>(249,496)</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	15,723	13,252
--	--------	--------

9 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Admin staff	4	4	4	4
Management staff	6	6	6	6
Direct cost staff	2	2	2	2
	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,230,328	1,005,452	1,230,328	1,005,452
Social security costs	164,389	170,322	164,389	170,322
Pension costs	12,945	6,651	12,945	6,651
	<u>1,407,662</u>	<u>1,182,425</u>	<u>1,407,662</u>	<u>1,182,425</u>

10 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>1,381,697</u>	<u>1,599,498</u>

11 Amounts written off investments

	2020 £	2019 £
Amounts written back to/(written off) financial liabilities	<u>-</u>	<u>(70,957)</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

12 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	21,281	-
Deferred tax		
Origination and reversal of timing differences	851,207	(128,694)
Changes in tax rates	55,867	-
Total deferred tax	907,074	(128,694)
Total tax charge/(credit)	928,355	(128,694)

The actual charge/(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:

	2020 £	2019 £
Profit before taxation	3,606,140	506,749
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	685,167	96,282
Tax effect of expenses that are not deductible in determining taxable profit	205,699	(1,172)
Tax effect of income not taxable in determining taxable profit	-	36,825
Tax effect of utilisation of tax losses not previously recognised	(28,827)	(225,176)
Effect of change in corporation tax rate	55,866	(35,453)
Group relief	10,450	-
Taxation charge/(credit)	928,355	(128,694)

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 May 2019	-
Additions	5,759,483
At 30 April 2020	5,759,483
Amortisation and impairment	
At 1 May 2019 and 30 April 2020	-

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

13 Intangible fixed assets

(Continued)

Carrying amount

At 30 April 2020

5,759,483

At 30 April 2019

-

Company

The company had no intangible fixed assets at 30 April 2020 or 30 April 2019.

14 Tangible fixed assets

Group

Fixtures,
fittings &
equipment
£

Cost

At 1 May 2019

120,732

Additions

417

At 30 April 2020

121,149

Depreciation and impairment

At 1 May 2019

95,518

Depreciation charged in the year

3,844

At 30 April 2020

99,362

Carrying amount

At 30 April 2020

21,787

At 30 April 2019

25,214

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

14 Tangible fixed assets

Company	Fixtures, fittings & equipment £
Cost	
At 1 May 2019	120,732
Additions	417
At 30 April 2020	121,149
Depreciation and impairment	
At 1 May 2019	95,518
Depreciation charged in the year	3,844
At 30 April 2020	99,362
Carrying amount	
At 30 April 2020	21,787
At 30 April 2019	25,214

15 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 May 2019 and 30 April 2020	4,653,058	-
Net gains or losses through fair value adjustments	2,890,420	-
At 30 April 2020	7,543,478	-

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 2020 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.

16 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	17	-	-	969	869
Investments in associates	18	1	1	1	1
Investments in joint ventures	19	297,300	464,236	100	100
Loans to joint ventures	19	-	-	145,833	145,833
		297,301	464,237	146,903	146,803

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

16 Fixed asset investments

Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 May 2019	464,237
Additions	100
Share of profit	(167,036)
At 30 April 2020	297,301
Carrying amount	
At 30 April 2020	297,301
At 30 April 2019	464,237

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 2019	970	145,833	146,803
Additions	100	-	100
At 30 April 2020	1,070	145,833	146,903
Carrying amount			
At 30 April 2020	1,070	145,833	146,903
At 30 April 2019	970	145,833	146,803

17 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

17 Subsidiaries

Name of undertaking	Registered office	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
Bentlnck 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	-
Kitewood (Grasmere Gardens) 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 (Holtsmere) Limited	A	Ordinary	100.00	-
Holtsmere End Farm	A	Ordinary	100.00	-

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

17 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:

Altira Business Park 1 Ltd	05900438
Alton Heights Ltd	06514629
Bentinck Projects Ltd	07296100
Chestfield Heights Ltd	06577149
Crowncoast Ltd	04396503
Global Court Ltd	05908369
Kingshall Heights Ltd	07296101
Kitewood Ltd	04113740
Kitewood (Charlwood) Ltd	07988473
Kitewood (Fairclough Farm) Ltd	09962274
Kitewood Homes Ltd	03321832
Kitewood Projects Ltd	03759193
Kitewood Securities Ltd	06798931
Kitewood (Staveley) Ltd	08168839
May Street Development Ltd	06066044
Neville way Ltd	07162886
Octave Homes Ltd	07199140
Orange Lane Ltd	06049305
Padcroft Works Ltd	053934135
Creekside Village Development Limited	07296013
Kitewood (Congleton Development) Limited	09967117
Kitewood (Holtsmere) Limited	12410803
Holtsmere End Farm Limited	03425883

18 Associates

Details of associates at 30 April 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Kitewood (Creekside) Limited	3rd Floor Sterling House, Langston Road, Loughton, Essex, IG10 3TS	Ordinary	25
Kitewood (Cossall) Limited	Crest House, Pycroft Road, Chertsey, Surrey, KT16 9GN	Ordinary	25

19 Joint ventures

Details of joint ventures at 30 April 2020 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Altira Park JV LLP	50 New Bond Street, London, W1S 1BJ	Ordinary	50
Kitewood Congleton LLP	85 Gracechurch Street, London, EC3V 0AA	Ordinary	50
Kitewood (Braggs Lane) Limited	85 Gracechurch Street, London, EC3V 0AA	Ordinary	50

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

19 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. Since the year end the group has sold its investment in Kitewood (Cossall) Limited to the other investor. Kitewood (Peckham) Limited is now owned in the Kitewood Holdings group.

20 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Work in progress	<u>20,490,305</u>	<u>27,389,075</u>	<u>4,373,803</u>	<u>4,369,215</u>

21 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>4,904,868</u>	<u>5,618,077</u>	<u>17,266,806</u>	<u>14,455,051</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>22,994,737</u>	<u>22,283,710</u>	<u>13,080,127</u>	<u>10,352,121</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

22 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	88,483	438,795	83,865	116,940
Amounts owed by group undertakings	-	-	12,713,158	9,592,883
Other debtors	1,637,035	1,344,012	872,387	707,879
Prepayments and accrued income	90,292	115,564	208,138	591,364
	<u>1,815,810</u>	<u>1,898,371</u>	<u>13,877,548</u>	<u>11,009,066</u>
Deferred tax asset (note 25)	58,218	376,315	-	286,750
	<u>1,874,028</u>	<u>2,274,686</u>	<u>13,877,548</u>	<u>11,275,816</u>
Amounts falling due after more than one year:				
Other debtors	<u>3,500,000</u>	<u>3,525,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Total debtors	<u>5,374,028</u>	<u>5,799,686</u>	<u>17,377,548</u>	<u>14,775,816</u>

23 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	24	15,795,019	17,711,369	-	-
Trade creditors		630,923	945,391	299,675	542,198
Amounts owed to group undertakings		-	-	8,548,832	7,407,925
Corporation tax payable		21,281	-	-	-
Other taxation and social security		9,831	5,940	9,466	5,940
Other creditors		2,904,398	1,177,907	2,398,440	139,344
Accruals and deferred income		3,664,397	2,449,043	1,833,180	2,262,654
		<u>23,025,849</u>	<u>22,289,650</u>	<u>13,089,593</u>	<u>10,358,061</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

24 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	15,795,019	17,639,898	-	-
Bank overdrafts	-	71,471	-	-
	<u>15,795,019</u>	<u>17,711,369</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>15,795,019</u>	<u>17,711,369</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.

25 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 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Tax losses	-	-	58,218	376,315
Revaluations	1,173,410	584,433	-	-
	<u>1,173,410</u>	<u>584,433</u>	<u>58,218</u>	<u>376,315</u>
Company	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Tax losses	-	-	-	266,750
	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,750</u>
Movements in the year:			Group 2020 £	Company 2020 £
Liability/(Asset) at 1 May 2019			208,118	(266,750)
Charge to profit or loss			851,207	266,750
Effect of change in tax rate - profit or loss			55,867	-
Liability at 30 April 2020			<u>1,115,192</u>	<u>-</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

25 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.

26 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	12,945	6,651

A defined contribution pension schemes 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	
	2020 £	2019 £
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
	<u>36,248</u>	<u>36,248</u>

The company has three 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.

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		Company	
	2020 £	2019 £	2020 £	2019 £
Within one year	84,896	84,896	84,896	84,896
Between two and five years	261,763	339,584	261,763	339,584
In over five years	7,075	7,075	7,075	7,075
	<u>353,734</u>	<u>431,555</u>	<u>353,734</u>	<u>431,555</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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	
	2020	2019
	£	£
Group		
Entities controlled by directors	<u>1,846,716</u>	<u>1,299,500</u>
Company		
Entities controlled by directors	<u>1,846,716</u>	<u>1,299,500</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2020	2019
	£	£
Group		
Associated companies	<u>2,825,088</u>	<u>-</u>
Company		
Associated companies	<u>2,388,209</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		
	2020		
	Balance	Provision	Net
	£	£	£
Group			
Associated companies	<u>3,265,259</u>	<u>2,076,028</u>	<u>1,189,231</u>
Company			
Associated companies	<u>2,517,494</u>	<u>1,853,263</u>	<u>664,231</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

30 Controlling party

There is no single ultimate controlling party of the company.

31 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	2,677,785	635,443
Adjustments for:		
Share of results of associates and joint ventures	(91,452)	(142,472)
Taxation charged/(credited)	928,355	(128,694)
Finance costs	1,381,697	1,599,498
Investment income	(179,806)	249,496
Fair value gain on investment properties	(2,738,000)	-
Depreciation and impairment of tangible fixed assets	3,844	4,449
Amounts written off investments	-	70,957
Movements in working capital:		
Decrease in stocks	6,898,770	2,710,048
Decrease in debtors	370,577	7,286,284
Increase/(decrease) in creditors	2,680,445	(8,790,251)
Decrease in deferred income	-	(2,000)
Cash generated from operations	11,932,215	3,492,758

32 Analysis of changes in net debt - group

	1 May 2019 £	Cash flows £	30 April 2020 £
Cash at bank and in hand	3,797,181	1,229,271	5,026,452
Bank overdrafts	(71,471)	71,471	-
	<u>3,725,710</u>	<u>1,300,742</u>	<u>5,026,452</u>
Borrowings excluding overdrafts	(17,639,898)	1,844,879	(15,795,019)
	<u>(13,914,188)</u>	<u>3,145,621</u>	<u>(10,768,567)</u>

33 Analysis of changes in net funds - company

	1 May 2019 £	Cash flows £	30 April 2020 £
Cash at bank and in hand	<u>3,423,292</u>	<u>866,917</u>	<u>4,290,209</u>