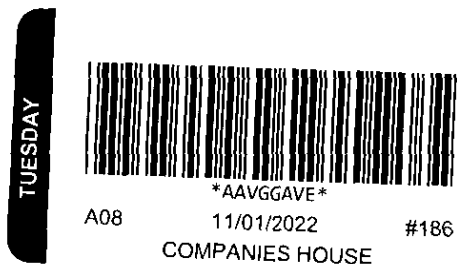


KITEWOOD ESTATES LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

PARENT COMPANY ACCOUNTS

SUBSIDIARY CO NAME: PADCROFT WORKS LTD.

SUBSIDIARY CO NO: 05634135



KITEWOOD ESTATES LIMITED

COMPANY INFORMATION

Directors	Mr J Faith Mr P O Van Reyk Mr D Faith Ms R M Van Reyk Mr S Millgate Mr A N Meredith	(Appointed 4 November 2021)
Secretary	Mrs S T Nicklen	
Company number	02852063	
Registered office	85 Gracechurch Street London EC3V 0AA	
Auditor	Fortus South Limited 3 Richfield Place Richfield Avenue Reading Berkshire RG1 8EQ	

KITEWOOD ESTATES LIMITED

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KITEWOOD ESTATES LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2021

In line with our peer group, the impact of Covid-19 has provided its challenges to the Housing sector, which I am pleased to say that, through our diverse in-house business expertise and the prudent corporate attitude to risk, has meant that we have weathered this unusual set of circumstances well.

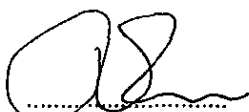
We have maintained our headline turnover, continuing to maintain quality and a value for money product, rather than singularly targeting annual volume growth. Consequently, and through this process, we have continued to maintain a positive set of pre-tax income for the year.

Whilst the Industry 'planning process' continues to be fraught, we have secured a number of strategic planning consents that improve our longer term pipeline of housing stock.

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 to ensure resilience from macro-economic shocks (like Covid-19), as well as enabling us to move quickly on strategic land acquisitions.

As usual I thank our specialist team of staff and consultants, whom together with our external funders, make it possible for the group operations to continue to develop and grow.



John Faith

Chairman

for December 2021

KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

The Covid-19 back drop continued to make it a challenging time for the Housebuilding sector. This has required us to seek a myriad of work around solutions, to maintain both production and forward sales throughout. Against this backdrop we have continued to maintain a firm set of Financial Results.

Most importantly we continue to actively build our forward strategic land bank, which remains at the heart of our business model.

Our investment in both consented and pipeline sites stands at

- 3,037 residential plots
- 666,090 sq. ft. commercial space

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

Residential Development – In construction/built

Grasmere Gardens, Chestfield, Kent



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

Residential Development – In construction/built

Clarendon Place, Salisbury, Wiltshire [8 plots]

- Build complete
- Sales complete in year at an average plot selling price: £ 407,500

Dittons Fields, Polegate, East Sussex [46 plots]

- Final phase under construction, completion due December 2021
- Completed plot sales: 19 in the year at an average selling price of £ 367,850
- Forward sales post year end: 26 of which 10 have completed

Grasmere Gardens, Chestfield, Kent [140 plots]

- A scheme for 300 units was promoted and planning secured by Kitewood
- Build now commenced on 98 private units and supporting infrastructure
- JCT contract secured to build 42 affordable units for Moat Housing Association

Lawrie Park Place, Sydenham, London [46 plots]

- Build complete
- Sales complete in year at an average plot selling price: £ 1,090,000

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

Woodacres, Hailsham, East Sussex [74 plots]

- Build complete
- Sales complete in year at an average plot selling price: £ 458,600

KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

Residential Development – In construction/built

Dittons Fields, Polegate, East Sussex



Puffin Road, Hillborough, Kent



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

Residential Development – In construction/built

Lawrie Park Place, Sydenham, London



Arlington Road, Hailsham, East Sussex



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

Residential Development – Consented

Chestfield, Kent [Phase 2 160 plots + employment space]

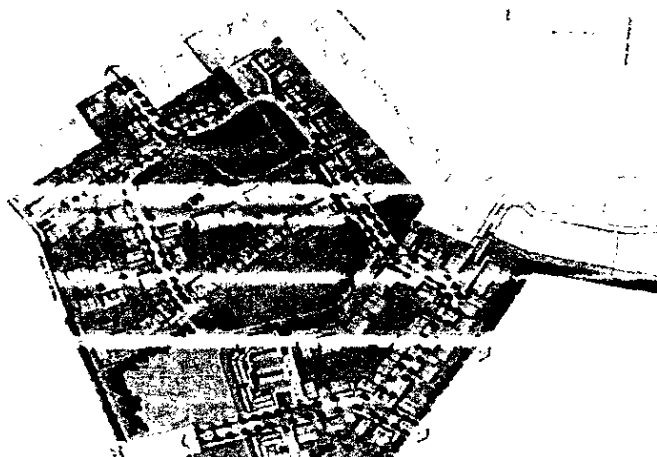
- We are progressing clearance of reserved matters on Phase 2 bringing forward a further 160 residential units, and 37,700 sq. ft of commercial/employment space

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

- Planning consent (subject to s106 Agreement) has been secured
- Final delivery of the associated Trinity Laban 'educational & arts centre' is being concluded to enable clearance of reserved matters
- The potential development GDV for the scheme is £184m
- The site is owned together with our JV partners Galliard Developments

Hillborough, Kent [180 plots + employment space]

- Our site is now consented, and a formal build start is expected in Spring 2022
- Additionally, we control adjacent land with a further 300 units and 335,000 sq. ft of employment space which is being progressed through planning



Sandgate, Kent [10 plots]

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

KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

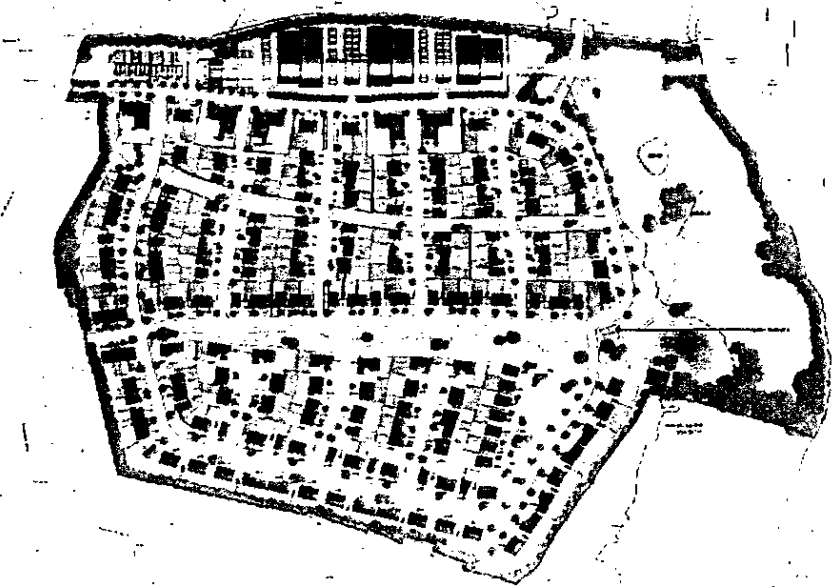
FOR THE YEAR ENDED 30 APRIL 2021

Residential Development – Consented

Creekside, Lewisham, London



Grasmere Gardens, Chestfield, Kent



KITEWOOD ESTATES LIMITED

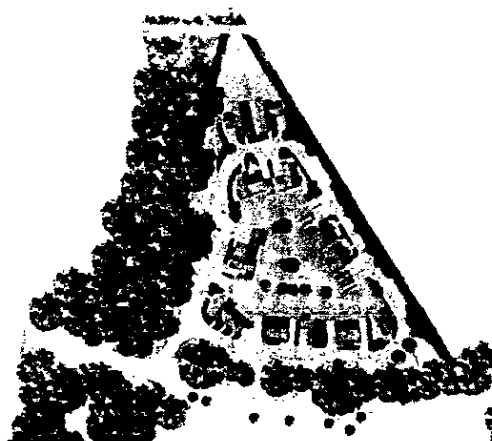
CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

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

Dunsfold, Surrey

- A scheme for 21 houses with a GDV of £ 9 million
- Our second phase application with officer's recommendation
- Anticipated grant on planning appeal summer 2022

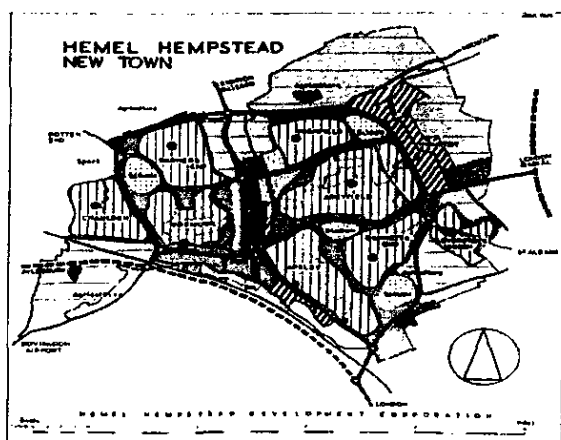


Herne Bay, Kent [5.6 hectares]

- Our land holding comprises allocated commercial space
- The individual parcels are actively marketed with our partners Urban & Civic
- We are shortly to submit detailed applications for several turn-key end users on much of our land holding.

Holtsmere, St Albans [50 acres]

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



KITEWOOD ESTATES LIMITED

CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

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 2022
- GDV is anticipated to be £14.5 million



London Borough of Bromley

- Planning submitted on a scheme for 66 one- and two-bedroom flats together with 8,691 sq. ft of office space. Determination expected Spring 2022
- The anticipated gross development value being in the region of £28 million



New Haw, Chertsey, Surrey

- Promotion of site for 220 units
- The anticipated gross development value being in the region of £80 million

Petworth, West Sussex

- An allocated site for 46 plots, with anticipated GDV of £16 million
- Planning submission anticipated spring 2022

Woodhill Farm, Deal, Kent

- Draft allocation in Local Authority strategic plan for 90 units
- Planning application being prepared for submission in Summer 2022

KITEWOOD ESTATES LIMITED

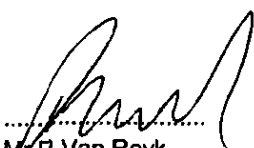
CHIEF EXECUTIVE'S REVIEW

FOR THE YEAR ENDED 30 APRIL 2021

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

Altira Business Park, Herne Bay, Kent




.....
Mr P Van Reyk
Chief Executive Officer
7th December 2021

KITEWOOD ESTATES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present the strategic report for the year ended 30 April 2021.

Fair review of the business

The group's turnover has increased to £22.19m (2020 £21.78m). 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 the Hove counties and Southern England.

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	2021	2020
Turnover	22.19	21.78
Retained earnings	1.67	2.68
Land & work in progress	10.88	20.49
Net asset value	21.98	20.31

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.

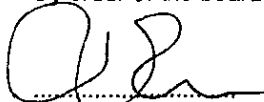
Principal risks and uncertainties

The group 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

7th December 2021

KITEWOOD ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

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 18.

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

Mr A N Meredith

(Appointed 4 November 2021)

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 2021 have, in the main, have been unaffected by the ongoing 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 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 £26.0m (2020: £34.1m) which is £4.2m (2020: £6.2m) in excess of attributable cost values.

Future developments

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group'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

Fortus South 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

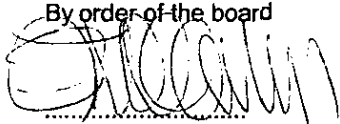
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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 group 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: 7th December 2021

KITEWOOD ESTATES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KITEWOOD ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

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 2021 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 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the group and parent company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

KITEWOOD ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KITEWOOD ESTATES LIMITED

We assess the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the group and parent company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 H Rogers FCCA (Senior Statutory Auditor)

For and on behalf of Fortus South Limited

Chartered Accountants and Statutory Auditor

3 Richfield Place

Richfield Avenue

Reading

Berkshire

RG1 8EQ

14/12/21
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KITEWOOD ESTATES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Turnover	3	22,192,846	21,777,509
Cost of sales		(19,333,664)	(17,719,361)
Gross profit		2,859,182	4,058,148
Administrative expenses		(2,250,352)	(2,148,277)
Other operating income		12,714	78,708
Bad debt write-off		(10,533)	(10,000)
Operating profit		611,011	1,978,579
Share of results of associates and joint ventures		125,732	91,452
Interest receivable and similar income	6	145,491	179,806
Interest payable and similar expenses	7	(913,090)	(1,381,697)
Fair value gains and losses on investment properties	12	1,549,942	2,738,000
Profit before taxation		1,519,086	3,606,140
Tax on profit	9	148,797	(928,355)
Profit for the financial year	24	1,667,883	2,677,785

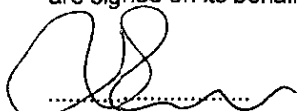
Profit for the financial year is all attributable to the owners of the parent company.

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

KITEWOOD ESTATES LIMITED
GROUP BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	11	5,759,483		5,759,483	
Tangible assets	10	15,708		21,787	
Investment properties	12	9,093,694		7,543,478	
Investments	13	250,091		297,301	
		<u>15,118,976</u>		<u>13,622,049</u>	
Current assets					
Stocks		10,882,103		20,490,305	
Debtors falling due after more than one year					
	17	3,525,000		3,500,000	
Debtors falling due within one year	17	2,657,260		1,874,028	
Cash at bank and in hand		8,463,495		5,026,452	
		<u>25,527,858</u>		<u>30,890,785</u>	
Creditors: amounts falling due within one year	18	<u>(17,688,586)</u>		<u>(23,025,849)</u>	
Net current assets		<u>7,839,272</u>		<u>7,864,936</u>	
Total assets less current liabilities		<u>22,958,248</u>		<u>21,486,985</u>	
Provisions for liabilities					
Deferred tax liability	19	976,790		1,173,410	
		<u>(976,790)</u>		<u>(1,173,410)</u>	
Net assets		<u>21,981,458</u>		<u>20,313,575</u>	
Capital and reserves					
Called up share capital	21	36,248		36,248	
Capital redemption reserve	22	5,625		5,625	
Other reserves	23	4,164,208		5,002,430	
Profit and loss reserves	24	17,790,745		15,284,640	
Equity attributable to owners of the parent company		<u>21,996,826</u>		<u>20,328,943</u>	
Non-controlling interests		<u>(15,368)</u>		<u>(15,368)</u>	
		<u>21,981,458</u>		<u>20,313,575</u>	

The financial statements were approved by the board of directors and authorised for issue on 7th December 2021 and are signed on its behalf by:


 Mr J Faith
 Director

KITEWOOD ESTATES LIMITED

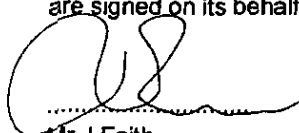
COMPANY BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		15,708		21,787
Investments	13		241,358		146,903
			<u>257,066</u>		<u>168,690</u>
Current assets					
Stocks		2,293,177		4,373,803	
Debtors falling due after more than one year					
	17	3,500,000		3,500,000	
Debtors falling due within one year	17	16,902,758		13,877,548	
Cash at bank and in hand		7,936,102		4,290,209	
		<u>30,632,037</u>		<u>26,041,560</u>	
Creditors: amounts falling due within one year	18	(15,085,892)		(13,089,593)	
Net current assets			<u>15,546,145</u>		<u>12,951,967</u>
Net assets			<u>15,803,211</u>		<u>13,120,657</u>
Capital and reserves					
Called up share capital	21		36,248		36,248
Capital redemption reserve	22		5,625		5,625
Profit and loss reserves	24		15,761,338		13,078,784
Total equity			<u>15,803,211</u>		<u>13,120,657</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 £2,682,554 (2020 - £738,378 profit).

The financial statements were approved by the board of directors and authorised for issue on 7th December 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 2021

	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 May 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
Year ended 30 April 2021:							
Profit and total comprehensive income for the year	-	-	-	1,667,883	1,667,883	-	1,667,883
Transfers	-	-	(838,222)	838,222	-	-	-
Balance at 30 April 2021	36,248	5,625	4,164,208	17,790,745	21,996,826	(15,368)	21,981,458

KITEWOOD ESTATES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 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
Year ended 30 April 2021:				
Profit and total comprehensive income for the year	-	-	2,682,554	2,682,554
Balance at 30 April 2021	36,248	5,625	15,761,338	15,803,211

KITEWOOD ESTATES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	28	9,221,563		11,932,215	
Interest paid		(913,090)		(1,381,697)	
Net cash inflow from operating activities		8,308,473		10,550,518	
Investing activities					
Purchase of business		-	(1,824,803)		
Purchase of intangible assets		-	(5,759,483)		
Purchase of tangible fixed assets		(3,547)	(417)		
Additional consideration on investment property		(275)	-		
Proceeds from associates		81,651	-		
Proceeds on disposal of joint ventures		124,497	-		
Repayment of loan to joint venture		145,833	-		
Purchase of other investments		(240,002)	-		
Interest received		145,491	179,806		
Net cash generated from/(used in) investing activities		253,648		(7,404,897)	
Financing activities					
Proceeds of new bank loans		-	10,482,820		
Repayment of bank loans		(5,125,078)	(12,327,699)		
Net cash used in financing activities		(5,125,078)		(1,844,879)	
Net increase in cash and cash equivalents		3,437,043		1,300,742	
Cash and cash equivalents at beginning of year		5,026,452		3,725,710	
Cash and cash equivalents at end of year		8,463,495		5,026,452	

KITEWOOD ESTATES LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

Kitewood Estates Limited ("the company" - registered number 02852063) is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is 85 Gracechurch Street, London, EC3V 0AA.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

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 2021. 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 ventures 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.

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.

1.3 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

1.4 Turnover

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

For developments contracted prior to the development commencing, where the outcome of the contract can be reliably estimated, revenues and costs are recognised according to the stage of completion.

For developments not contracted prior to the development commencing revenue is recognised at the point in time when all the risks and rewards of ownership are passed to the customer being the date of legal completion.

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.

1.5 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. Amortisation begins to be recognised only when the asset it relates to comes into use.

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.

1.6 Tangible fixed assets

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

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

Fixtures, fittings & equipment	15% on reducing balance basis
--------------------------------	-------------------------------

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.

1.7 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

1.8 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.

Other investments are Cryptocurrencies which are initially measured at cost and subsequently carried at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income. Valuations are derived from current market information.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its fixed 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).

1.10 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.

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.

1.11 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 2021

1 Accounting policies

1.12 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.

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 2021

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.

Derecognition of financial liabilities

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

1.13 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.

1.14 Taxation

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

Current tax

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

Deferred tax

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

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

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

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

1.17 Leases

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

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Realisable value of work in progress

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

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

2 Judgements and key sources of estimation uncertainty

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.

Investment properties

The directors consider the main area of judgement and key source of estimation uncertainty is the valuation of investment properties. The open market value basis is adopted by management in determining the assets fair value with their property interests being held for rental income. Valuations have been performed by both external valuers and by management who are RICS qualified.

Revenue recognition

To ensure that contract revenues and costs can be reliably measured in respect of the stage of completion of a development the Group budget and continually monitor the realisable value of a site and estimated costs to complete.

In determining the recoverability of contract costs management consider budgeted costs to the year end date then consider the total expected costs to the completion of the contract. In instances where management determine it is probable that contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense in the Statement of comprehensive income.

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Sale of land and buildings	22,192,846	21,777,509
	2021 £	2020 £
Other revenue		
Interest income	145,491	179,806

4 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	30,000	46,650

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	317,787	265,375
Company pension contributions to defined contribution schemes	1,314	1,316
Sums paid to third parties for directors' services	1,246,188	1,312,276
	<u>1,565,289</u>	<u>1,578,967</u>

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

	2021 £	2020 £
Remuneration for qualifying services	<u>648,094</u>	<u>656,138</u>

6 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	1,991	15,723
Other interest income	143,500	164,083
Total income	<u>145,491</u>	<u>179,806</u>

Interest income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,991</u>	<u>15,723</u>
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7 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>913,090</u>	<u>1,381,697</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

8 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Admin staff	4	4	4	4
Management staff	7	6	7	6
Direct cost staff	3	2	3	2
	<u>14</u>	<u>12</u>	<u>14</u>	<u>12</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,355,492	1,230,328	1,355,492	1,230,328
Social security costs	172,412	164,389	172,412	164,389
Pension costs	11,999	12,945	11,999	12,945
	<u>1,539,903</u>	<u>1,407,662</u>	<u>1,539,903</u>	<u>1,407,662</u>

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	10,886	21,281
Adjustments in respect of prior periods	(21,281)	-
Total current tax	<u>(10,395)</u>	<u>21,281</u>
Deferred tax		
Origination and reversal of timing differences	(138,402)	851,207
Changes in tax rates	-	55,867
Total deferred tax	<u>(138,402)</u>	<u>907,074</u>
Total tax (credit)/charge	<u>(148,797)</u>	<u>928,355</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

9 Taxation

The actual (credit)/charge 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:

	2021 £	2020 £
Profit before taxation	<u>1,519,086</u>	<u>3,606,140</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	288,626	685,167
Tax effect of expenses that are not deductible in determining taxable profit	252,842	205,699
Gains not taxable	(557,796)	-
Tax effect of utilisation of tax losses not previously recognised	(5,076)	(28,827)
Adjustments in respect of prior years	(21,281)	-
Effect of change in corporation tax rate	-	55,866
Group relief	-	10,450
Other adjustments	(47,894)	-
Utilisation of deferred tax asset	<u>(58,218)</u>	<u>-</u>
Taxation (credit)/charge	<u>(148,797)</u>	<u>928,355</u>

Change in tax rate

The UK Budget 2021 announcements on 3 March 2021 include measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These include an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

10 Tangible fixed assets

Group	Fixtures, fittings & equipment £
Cost	
At 1 May 2020	121,149
Additions	3,547
At 30 April 2021	124,696
Depreciation and impairment	
At 1 May 2020	99,362
Depreciation charged in the year	9,626
At 30 April 2021	108,988
Carrying amount	
At 30 April 2021	15,708
At 30 April 2020	21,787
Company	Fixtures, fittings & equipment £
Cost	
At 1 May 2020	121,149
Additions	3,547
At 30 April 2021	124,696
Depreciation and impairment	
At 1 May 2020	99,362
Depreciation charged in the year	9,626
At 30 April 2021	108,988
Carrying amount	
At 30 April 2021	15,708
At 30 April 2020	21,787

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2020 and 30 April 2021	5,759,483
Amortisation and impairment	
At 1 May 2020 and 30 April 2021	-
Carrying amount	
At 30 April 2021	5,759,483
At 30 April 2020	5,759,483

Company

The company had no intangible fixed assets at 30 April 2021 or 30 April 2020.

12 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 May 2020 and 30 April 2021	7,543,478	-
Additions through external acquisition	275	-
Transfers from inventories	1	-
Net gains or losses through fair value adjustments	1,549,940	-
At 30 April 2021	9,093,694	-

Investment property comprises of property interests held for their rental income, and capital appreciation. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 April 2021 by Mr J S Faith who is a director and RICS qualified. The valuation (taking into account the current known impacts of COVID-19) was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	1,355	969
Investments in associates	15	1	1	1	1
Investments in joint ventures	16	10,088	297,300	-	100
Loans to joint ventures	16	-	-	-	145,833
Other investments		240,002	-	240,002	-
		<u>250,091</u>	<u>297,301</u>	<u>241,358</u>	<u>146,903</u>

Movements in fixed asset investments Group

	Shares in associates and joint ventures £	Other investments £	Total £
Cost or valuation			
At 1 May 2020	297,301	-	297,301
Additions	78	240,002	240,080
Repayment	(145,833)	-	(145,833)
Disposals	(141,457)	-	(141,457)
At 30 April 2021	<u>10,089</u>	<u>240,002</u>	<u>250,091</u>
Carrying amount			
At 30 April 2021	<u>10,089</u>	<u>240,002</u>	<u>250,091</u>
At 30 April 2020	<u>297,301</u>	<u>-</u>	<u>297,301</u>

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

13 Fixed asset investments

Movements in fixed asset investments Company

	Shares in subsidiaries, associates and joint ventures	Loans to joint ventures	Other investments	Total
	£	£	£	£
Cost or valuation				
At 1 May 2020	1,070	145,833	-	146,903
Additions	400	-	240,002	240,402
Repayment	-	(145,833)	-	(145,833)
Disposals	(114)	-	-	(114)
	<u>1,356</u>	<u>-</u>	<u>240,002</u>	<u>241,358</u>
At 30 April 2021	1,356	-	240,002	241,358
Carrying amount				
At 30 April 2021	<u>1,356</u>	<u>-</u>	<u>240,002</u>	<u>241,358</u>
At 30 April 2020	<u>1,070</u>	<u>145,833</u>	<u>-</u>	<u>146,903</u>

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2021 are as follows:

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

14 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
Bentinck Projects Limited	A	Ordinary	100.00	-
Cascade Egham Limited	A	Ordinary	-	100.00
Chestfield Heights Limited	A	Ordinary	-	100.00
Creeside Village Developments Limited	A	Ordinary	100.00	-
Crowncoast Limited	A	Ordinary	75.00	-
Global Court Limited	A	Ordinary	-	100.00
Kitewood Bromley Limited	A	Ordinary	100.00	-
Kingshall Heights Limited	A	Ordinary	100.00	-
Kitewood (Charlwood) Limited	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) Limited	A	Ordinary	100.00	-
Kitewood (Sydenham) Limited	A	Ordinary	100.00	-
Kitewood Development Projects Limited	A	Ordinary	100.00	-
Kitewood Developments Limited	A	Ordinary	-	100.00
Kitewood Homes Limited	A	Ordinary	100.00	-
Kitewood Investments Limited	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 (Lewes) Limited	A	Ordinary	100.00	-
Kitewood Securities Limited	A	Ordinary	100.00	-
May Street Developments Limited	A	Ordinary	100.00	-
Neville Way Limited	A	Ordinary	100.00	-
Kitewood (Grasmere Gardens) 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 Limited	A	Ordinary	100.00	-
Kitewood (Astley Heights) Limited	A	Ordinary	100.00	-
Kitewood (Holtsmere) Limited	A	Ordinary	100.00	-
Holtsmere End Farm Limited	A	Ordinary	100.00	-
Altira Business Park 3 Limited	A	Ordinary	100.00	-
Kitewood (New Haw) Limited	A	Ordinary	100.00	-
Kitewood (Dunsfold) Limited	A	Ordinary	100.00	-
Kitewood (Petworth) Limited	A	Ordinary	100.00	-

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

14 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 Limited	5900438
Alton Heights Limited	6514629
Bentinck Projects Limited	7296100
Chestfield Heights Limited	6577149
Crowncoast Limited	4396503
Global Court Limited	5908369
Kingshall Heights Limited	7296101
Kitewood Limited	4113740
Kitewood (Charlwood) Limited	7988473
Kitewood (Fairclough Farm) Limited	9962274
Kitewood Homes Limited	3321832
Kitewood Projects Limited	3759193
Kitewood Securities Limited	6798931
Kitewood (Staveley) Limited	8168839
May Street Development Limited	6066044
Neville way Limited	7162885
Octave Homes Limited	7199140
Orange Lane Limited	6049305
Padcroft Works Limited	5634135
Creekside Village Development Limited	7296013
Kitewood (Congleton Development) Limited	9967117
Kitewood (Holtmere) Limited	12410803
Holtmere End Farm Limited	3425883
Kitewood (Congleton Mill) Limited	9606097
Kitewood (New Haw) Limited	12971329

15 Associates

Details of associates at 30 April 2021 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

16 Joint ventures

Details of joint ventures at 30 April 2021 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 2021

17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	106,269	88,483	105,269	83,865
Amounts owed by group undertakings	-	-	14,138,004	12,713,158
Other debtors	2,035,351	1,637,035	1,484,606	872,387
Prepayments and accrued income	515,640	90,292	1,174,879	208,138
	<u>2,657,260</u>	<u>1,815,810</u>	<u>16,902,758</u>	<u>13,877,548</u>
Deferred tax asset (note 19)	-	58,218	-	-
	<u>2,657,260</u>	<u>1,874,028</u>	<u>16,902,758</u>	<u>13,877,548</u>
Amounts falling due after more than one year:				
Other debtors	<u>3,525,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Total debtors	<u>6,182,260</u>	<u>5,374,028</u>	<u>20,402,758</u>	<u>17,377,548</u>

18 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	10,669,941	15,795,019	-	-
Trade creditors	1,126,479	630,923	1,006,505	299,675
Amounts owed to group undertakings	-	-	9,810,223	8,548,832
Corporation tax payable	10,886	21,281	-	-
Other taxation and social security	11,389	9,831	11,389	9,466
Other creditors	2,852,774	2,904,398	2,403,136	2,398,440
Accruals and deferred income	3,017,117	3,664,397	1,854,639	1,833,180
	<u>17,688,586</u>	<u>23,025,849</u>	<u>15,085,892</u>	<u>13,089,593</u>

The bank loan is secured via a fixed charge over the land being developed as well as a fixed and floating charge over the assets of the company.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

19 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:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Tax losses	-	-	-	58,218
Investment property revaluations	976,790	1,173,410	-	-
	<u>976,790</u>	<u>1,173,410</u>	<u>-</u>	<u>58,218</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 May 2020	1,115,192	-
Credit to profit or loss	(138,402)	-
Liability at 30 April 2021	<u>976,790</u>	<u>-</u>

The movement in deferred tax of £138,402 is made up of a £105,635 increase in the revaluation of investment properties, a utilisation of group losses totalling £58,218 as well as a £302,255 reduction in the revaluation of investment properties.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>11,999</u>	<u>12,945</u>

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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

21 Share capital

	Group and company	
	2021	2020
	£	£
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>

22 Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

23 Other reserves

Other reserves represent the excess of valuation on investment properties over their historic cost, net of any deferred tax.

24 Profit and loss reserves

Profit and loss reserves represent cumulative profits or losses, net of dividends paid and other adjustments.

25 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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	84,896	84,896	84,896	84,896
Between two and five years	176,867	261,763	176,867	261,763
In over five years	-	7,075	-	7,075
	<u>261,763</u>	<u>353,734</u>	<u>261,763</u>	<u>353,734</u>

26 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.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

26 Related party transactions

Transactions with related parties

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

	Services received	
	2021	2020
	£	£
Group		
Entities controlled by directors	3,306,550	1,846,716
	<u>3,306,550</u>	<u>1,846,716</u>
Company		
Entities controlled by directors	3,306,550	1,846,716
	<u>3,306,550</u>	<u>1,846,716</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Associated companies	3,170,213	2,825,088
	<u>3,170,213</u>	<u>2,825,088</u>
Company		
Associated companies	2,732,820	2,388,209
	<u>2,732,820</u>	<u>2,388,209</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2021	2021	2021	2020	2020	2020
	Balance	Provision	Net	Balance	Provision	Net
	£	£	£	£	£	£
Group						
Associated companies	3,577,733	2,221,561	1,356,172	3,265,259	2,076,028	1,189,231
	<u>3,577,733</u>	<u>2,221,561</u>	<u>1,356,172</u>	<u>3,265,259</u>	<u>2,076,028</u>	<u>1,189,231</u>
Company						
Associated companies	2,684,450	1,853,278	831,172	2,517,494	1,853,263	664,231
	<u>2,684,450</u>	<u>1,853,278</u>	<u>831,172</u>	<u>2,517,494</u>	<u>1,853,263</u>	<u>664,231</u>

Other information

Kitewood Estates Limited is party to a cross guarantee over the assets of the group in relation to bank loans totalling £4,000,000 (2020: £Nil) in the books of Kitewood Holdings Limited.

The above companies are considered related parties by virtue of common control.

KITEWOOD ESTATES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

27 Controlling party

There is no single ultimate controlling party of the company.

28 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,667,883	2,677,785
Adjustments for:		
Share of results of associates and joint ventures	(125,732)	(91,452)
Taxation (credited)/charged	(148,797)	928,355
Finance costs	913,090	1,381,697
Investment income	(145,491)	(179,806)
Fair value gain on investment properties	(1,549,942)	(2,738,000)
Depreciation and impairment of tangible fixed assets	9,626	3,844
Movements in working capital:		
Decrease in stocks	9,608,202	6,898,770
(Increase)/decrease in debtors	(866,449)	370,577
(Decrease)/increase in creditors	(140,827)	2,680,445
Cash generated from operations	9,221,563	11,932,215

29 Analysis of changes in net debt - group

	2021 £
Opening net funds/(debt)	
Cash and cash equivalents	5,026,452
Loans	(15,795,019)
	(10,768,567)
Changes in net debt arising from:	
Cash flows of the entity	8,562,121
Closing net funds/(debt) as analysed below	(2,206,446)
Closing net funds/(debt)	
Cash and cash equivalents	8,463,495
Loans	(10,669,941)
	(2,206,446)