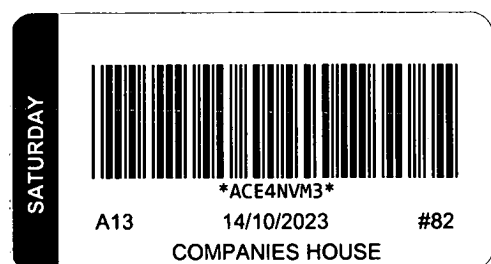


Company registration number 08654998 (England and Wales)

K&C (NEWBURY) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



K&C (NEWBURY) LTD

COMPANY INFORMATION

Directors

R J Naylor
R J Boon
D A White

Company number

08654998

Registered office

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Auditor

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

Solicitors

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

Bryan Cave Leighton Paisner LLP
Governor's House
5 Laurence Pountney Hill
London
EC4R 0BR

K&C (NEWBURY) LTD

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K&C (NEWBURY) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report with the financial statements of the Company for the year ended 30 June 2023.

Going concern

The directors have adopted the going concern basis in preparing the financial statements. This is further explained in the notes to the financial statements.

Principal activities

Since the Company sold all of the properties in its portfolio, it has been effectively dormant.

Results and dividends

The directors do not recommend payment of a dividend for the year (2022 - £nil).

Directors

The following directors served during the year to 30 June 2023 and up to the date of approval of the financial statements:

R J Naylor
R J Boon
D A White

Post reporting date events

There are no post balance sheet events to disclose for the Company.

Auditor

In accordance with the Company's articles, a resolution proposing that Grant Thornton Limited be reappointed as auditor of the Company will be put at a General Meeting.

Statement of directors' responsibilities

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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standard have been followed subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and use the going concern basis of accounting unless they either intend to liquidate the Company, cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

K&C (NEWBURY) LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Statement as to disclosure of information to the auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Small Company Provision

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

On behalf of the board



R J Naylor
Director

3 October 2023

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF K&C (NEWBURY) LTD

Opinion

We have audited the financial statements of K&C (Newbury) Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 UK Adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Adopted International Accounting Standards; 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the 12-month going concern assessment performed by management, including the assumptions and sensitivities prepared by management;
- Challenging the appropriateness of management's forecasts by:
 - checking the mathematical accuracy of the cash flow forecast;
 - assessing the key assumptions used in the going concern assessment based on our knowledge of the Company and the current economic climate; and
 - assessing whether management has taken into account the principal and emerging risks noted in the annual report.
- We determined whether there is a material uncertainty which casts significant doubt over the ability of the Company to continue as a going concern; and
- We assessed the disclosures in the financial statements relating to going concern, to ensure they were in compliance with IAS 1.

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF K&C (NEWBURY) LTD

Conclusions relating to going concern (continued)

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF K&C (NEWBURY) LTD

Responsibilities of directors for the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 applicable to the Company in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, and the Real Estate Investment Trust (REIT) status section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management including those responsible for compliance procedures. We corroborated our inquiries through our review of board meetings, review of compliance reports, review of correspondence with the regulator and review of key regulatory requirements. We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to transactions with valuation of investment properties and revenue transactions.

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF K&C (NEWBURY) LTD

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)


- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operation, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions; and
 - the entity's control environment.

Our audit procedures involved:

- identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
 - identifying and testing journal entries, in particular any journal entries in respect of valuation of investment properties.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
 - The Engagement Leader assessed the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement teams:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the regulated entity including the provisions of the Companies Act 2006 and Real Estate Investment Trust (REIT) status section 1158 of the Corporation Tax Act 2010.

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.

DocuSigned by:

55AR0610PAA4481
Jeremy Ellis (Senior Statutory Auditor)
For and on behalf of Grant Thornton Limited
Statutory Auditor, Chartered Accountants
St Peter Port, Guernsey

4 October 2023

K&C (NEWBURY) LTD

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Taxation	6	-	-
		<hr/>	<hr/>
Profit and total comprehensive income for the year		-	-
		<hr/> <hr/>	<hr/> <hr/>

Other Comprehensive Income

There is no other comprehensive income and accordingly no statement of other comprehensive income is issued.

K&C (NEWBURY) LTD

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 £	2022 £
Total assets		-	-
Total liabilities		-	-
Net assets		-	-
Equity			
Called up share capital	7	75,000	75,000
Retained earnings		(75,000)	(75,000)
Total equity		-	-

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 3 October 2023 and are signed on its behalf by:



R J Naylor
Director

Company Registration No. 08654998

K&C (NEWBURY) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital £	Retained earnings £	Total £
Balance at 1 July 2021	75,000	(75,000)	-
Year ended 30 June 2022:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	75,000	(75,000)	-
Year ended 30 June 2023:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>

K&C (NEWBURY) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash flow from operating activities	-	-
	<hr/>	<hr/>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting conventions

Company information

K&C (Newbury) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

Statement of compliance

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on the historical cost basis.

Functional and presentational currency

The financial statements are presented in Pounds Sterling ("GBP"), which is the Company's functional and presentational currency.

1.1 Going concern

The financial statements have been prepared on a going concern basis. This requires the directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Company has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Company is currently dormant and any ongoing expenses are met by the parent company, KCR Residential REIT plc.

1.2 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

1.3 Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Income Statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. As a member of a REIT group, the Company is generally not liable to corporation tax.

2 Adoption of new and revised standards and changes in accounting policies

The following accounting pronouncements and standards became effective from 1 January 2022 and have been adopted but did not have a significant impact on the Company's financial results or position:

- Amendments to IAS 16: Property, plant and equipment: Proceeds before intended use
- Amendments to IFRS 3: Reference to the conceptual framework
- Annual improvements to IFRS Standards 2018-20
- Amendments to IAS 37: Onerous Contracts – cost of fulfilling a contract

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Adoption of new and revised standards and changes in accounting policies (Continued)

Standards which are in issue but not yet effective

As at 30 June 2023, the Company has not applied the following new and revised standards that have been issued but are not effective until accounting periods beginning on or after 1 January 2023 or 1 January 2024:

- Amendments to IAS 8, Definition of Accounting Estimates
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendments to IAS 12: Deferred Tax Related to Asset and Liabilities arising from a Single Transaction
- Amendments to IFRS 16 – Leases on sale and leaseback
- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IAS 1 – Classification of liabilities as current or non-current

The directors do not anticipate that the adoption of the above amendments will have a significant impact on the financial statements of the Company in future periods.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future years affected.

The directors do not believe, given the status of the Company, that there are any significant estimates or judgements.

4 Profit before taxation

Auditors' remuneration is borne by the parent company.

5 Employees

There were no staff costs or directors' remuneration for the year ended 30 June 2023 (2022 - £nil).

6 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2023 (2022 - £nil).

7 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.5p each	15,000,000	15,000,000	75,000	75,000

All shares rank parri passu for the purposes of dividends, voting and return on capital.

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2023**

8 Financial instruments

The Company's directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital management

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Company considers its capital to comprise equity capital less accumulated losses.

9 Ultimate parent company

The Company is a wholly owned subsidiary of KCR Residential REIT plc, which is the immediate parent of the Company. The registered office of the parent company is Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY.

The parent undertakings produces consolidated accounts which incorporate the results of K&C (Newbury) Limited and can be obtained from the registered office or from www.kcrreit.com.

The ultimate parent company is Pyne Gould Corporation Limited. The ultimate controlling party of Pyne Gould Corporation Limited is George Kerr.

10 Post balance sheet events

There are no post balance sheet events to disclose in this Company.